OVERSIGHT ON PROPOSED MODIFICATIONS IN SOIL AND WATER CONSERVATION POLICY

HEARING

BEFORE THE

SUBCOMMITTEE ON SOIL AND WATER CONSERVATION

OF THE

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY UNITED STATES SENATE

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CONTENTS

	Page
Jepsen, Hon. Roger W., a U.S. Senator from Iowa, opening statement	1
Melcher, Hon. John, a U.S. Senator from Montana	4
Zorinsky, Hon. Edward, a U.S. Senator from Nebraska	6
Hayakawa, Hon. S. I., a U.S. Senator from California	8
Boren, Hon. David L., a U.S. Senator from Oklahoma	13

CHRONOLOGICAL LIST OF WITNESSES

Block, Hon. John R., Secretary, Department of Agriculture, accompanied by Richard D. Siegel, Deputy Assistant Secretary for Natural Resources and Environment; Stephen B. Dewhurst, Director, Office of Budget and Program Analysis; David G. Unger, Associate Chief, Soil Conservation Service; Kenneth L. Williams, Deputy Chief for Planning and Evaluation; and William E. Gardner, Jr., Director, Budget Formulation, Soil Conservation Service	2
Sampson, Neil, executive vice president, National Association of Conservation Districts	19
Frazier, Charles, director, Washington Office, National Farmers Organization	25
Miller, James, assistant legislative director, National Grange	27
Thatcher, Mary Kay, assistant director, National Affairs Division, American Farm Bureau Federation	29
Ek, Carl, legislative assistant, National Farmers Union	30
Woolley, Walter, Jr., vice chairman, Private Lands and Water Committee, National Cattlemen's Association	32

APPENDIX

Jepsen, Hon. Roger W., a U.S. Senator from Iowa, statement	37
Zorinsky, Hon. Edward, a U.S. Senator from Nebraska, statement	38
Dole, Hon. Bob, a U.S. Senator from Kansas, statement	39
Melcher, Hon. John, a U.S. Senator from Montana, statement	39
Block, John R., Secretary of Agriculture, statement	41
Sampson, Neil, executive vice president, NACD, statement	52
Frazier, Charles L., director, Washington Office, National Farmers Organization, statement	60
Miller, James, assistant legislative director, National Grange, statement	61
Thatcher, Mary Kay, assistant director, National Affairs Division, American Farm Bureau Federation, statement	64
Ek, Carl W., legislative assistant, National Farmers Union, statement	67
Woolley, Walter, Jr., vice-chairman, Private Lands & Water Committee, National Cattlemen's Association, statement	71
Baum, Robert C., president, Soil Conservation Society of America, Ankeny, Iowa, statement	80
Lundquist, Clinton, president, Kansas Association of Conservation Districts, Lindsborg, Kans., statement	82
Player, C. B., Jr., Bishopville, S.C., statement	86
Siegel, Richard D., Deputy Assistant Secretary for Natural Resources and Environment, U.S. Department of Agriculture, letter dated July 19, 1982, to Senator Helms, with attached answers to questions from Senators Helms, Jepsen, Hayakawa, and Huddleston	88

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TUESDAY, MARCH 30, 1982

U.S. SENATE,
SUBCOMMITTEE ON SOIL AND WATER CONSERVATION,
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, D.C.

The subcommittee met, at 10:35 a.m., in room 324, Russell Senate Office Building, Hon. Roger W. Jepsen (chairman of the subcommittee) presiding.

Present: Senators Jepsen and Hayakawa.

Also present: Senators Melcher, Zorinsky, and Boren.

STATEMENT OF HON. ROGER W. JEPSEN, A U.S. SENATOR FROM IOWA

Senator JEPSEN. The subcommittee will come to order.

I would like to welcome Secretary Block. Our hearing today is on the administration's recommendations for soil and water conservation programs made under the requirements of the Resources Conservation Act.

We are pleased to have with us today the Secretary of Agriculture, John Block, and others. The distinguished chairman of the House Subcommittee on Conservation, Credit, and Rural Development, Ed Jones, was invited, but he too was chairing a hearing today and he sent along his promise of "full support and cooperation in dealing with this serious problem."

I will advise the committee this morning that the Secretary has a meeting called by the President at 11 o'clock this morning and he will have to leave here no later than 10 minutes of the hour. In view of this, I am going to summarize my opening statement and I will ask that it be entered in the record as if read. If there are no objections to that, that is the way it will be.[1]

The Soil and Water Resources Conservation Act of 1977 requires the Secretary of Agriculture to develop a national soil and water conservation program to guide the Department's future conservation activities.

In November of 1981, the Secretary of Agriculture presented the Department's preferred program before the Agriculture Committees of the Senate and the House of Representatives.

[1] See p. 37 for the prepared statement of Senator Jepsen.

From that time until now the Department—and I might add, Members of Congress—have received thousands of comments on the program from farmers and other members of the public.

It is our hope, Mr. Secretary, that you will respond to the concerns about the direction of the Department's soil and water conservation programs that have been presented. I need not tell you or relay to you the necessity for commitment or resolve in this area. I know you have been a champion personally to soil conservation for all of your working life and have reiterated it many times since you assumed the responsibility as Secretary of Agriculture.

The question that we have or many people have is: Are we headed in the direction of a stronger conservation policy or are we replacing conservation realities with political sensitivities. I hope that you will respond to some of these concerns today, Mr. Secretary. You have stated that this is one of your higher priorities. We are concerned about a budget that terminates the resource conservation and development program, despite congressional action last year giving it permanent status. I and others are concerned over the appointment of a new Chief of the Soil Conservation Service. It would seem that this is an inopportune time to go outside the professional ranks when we are in the first stages of redirecting the Nation's entire conservation thrust. I recognize and have been assured that the Secretary has the best of intentions, but it has opened up a Pandora's box. I am deeply concerned over the prospect of an every 4 year shuffle in that top position. The concern is deep. The question is being asked whether the Forest Service is next, the next agency to go the way of SCS. I hope that you will be able to respond and clear up these questions as well as others.

You may proceed. I understand that you have a statement that you would like entered in the record as if read. If there are no objections, it may be done and you may summarize your statement.

STATEMENT OF HON. JOHN R. BLOCK, SECRETARY, DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY RICHARD D. SIEGEL, DEPUTY ASSISTANT SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT; STEPHEN B. DEWHURST, DIRECTOR, OFFICE OF BUDGET AND PROGRAM ANALYSIS; DAVID G. UNGER, ASSOCIATE CHIEF, SOIL CONSERVATION SERVICE; KENNETH L. WILLIAMS, DEPUTY CHIEF FOR PLANNING AND EVALUATION; AND WILLIAM E. GARDNER, JR., DIRECTOR, BUDGET FORMULATION, SOIL CONSERVATION SERVICE

Secretary BLOCK. Thank you very much, Mr. Chairman. I will consider that the statement will be put in the record.[1] I have with me today the Deputy Assistant Secretary for Natural Resources and Environment, Dick Siegel, and our budget officer, Steve Dewhurst, who can give us any expert information that you may desire.

As far as my summary, it is a pleasure to be with you. It is a pleasure to have a chance to answer a few questions, and I am not going to dwell today at great length on my statement because I want to be sure and have a chance to answer any questions that you might have.

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[1] See p. 41 for the prepared statement of Secretary Block.

Certainly, as you are quite aware and as you have pointed out, we have received thousands and thousands of comments on a preferred plan for soil and water conservation. We have tried to put together a preferred plan that is practical by putting together a plan that we feel can have a chance of really turning the situation around in the country, a plan that recognizes that we are going to probably be living in a time when we will not have a growing amount of resources to spend on these projects and on the needs here. I am convinced that we can do a great deal without huge amounts of new resources.

The first important point that I feel we must address in our new plan is that we are going to have to set some priorities. I think we need to look where the problems really are and address those, wherever they are, and we cannot afford to be addressing everything all at once.

The priorities as I see them would be controlling soil erosion, No. 1; controlling upstream flooding would be No. 2; conserving water is No. 3.

The second part of the plan would have to do with targeting an increased share of our resources—people and dollars—to specific areas where the needs for conservation action are the greatest. And I think we would all have to concur that every State and every county does not have equal need for soil conservation resources in terms of dollars and personnel. We need to do a better job of targeting. I do not think we have done very much of that in the past years.

The third point is we want to reach out to local and State governments and other interested parties to get this job done.

Finally, I feel the ultimate solution has to be that we mobilize all of the agricultural industry that we can bring together everyone concerned to solve this problem instead of the fragmented approach that we have seen in the years past. We have had the Soil Conservation Service, the ASCS offices, we have had farm organizations that did not pay very much attention to soil conservation in many cases, we have had an Extension Service that was concerned about other activities and not always very concerned about soil conservation. We have had experiment stations that were not much concerned about soil conservation, as they might have.

The time has come where everyone of these different entities that have a relationship to agriculture come together and work together cooperatively to get a job done, and I think we are making progress. We are probably making better progress than some people may think.

I have driven through your State of Iowa a number of times and I am seeing a lot more soil conserving practices than I saw 5 or 8 years ago. There is a great increase in sales of chisel plows from the implement dealers. There was a time when clean plowing was the only way to go but now it is becoming more acceptable to have a dirty field, so to speak, with a lot of stalks on top. There is a change in attitude, but we have not been getting it all across to all of the farmers. The farmers are willing to learn and address their own problems and that is what we want. We want the farmers to solve the problems because if they are not able to solve them on their own, cooperatively and collectively, then probably the heavy-

handed Government may well come in and do it for them. I feel that would be a tragic mistake.

I will open it up for questions.

Senator JEPSEN. In my haste to move this along, I apologize, Senator Melcher. Do you have an opening statement?

STATEMENT OF HON. JOHN MELCHER, A U.S. SENATOR FROM MONTANA

Senator MELCHER. Thank you, Mr. Chairman. I will just make a couple of comments to the committee and Secretary Block.[1]

This budget proposal that is before the Congress now, for soil conservation is an absolute disgrace. It seems to want to put the ACP program, the forestry incentive program, the water bank program, the emergency conservation measures program into one program, and then the budget proposes to cut spending for all of these efforts from $291 million to $56 million. It is impossible to rationalize anything but a scalping procedure for each and every one of those programs, and not one of them can come out with any capability of doing much of a job for soil conservation.

Well, we have heard a lot of comments from you, Mr. Secretary, and I commend you for these comments about what we should be doing for soil conservation. Frankly, nothing is happening and not one of the goals that have been set and described by yourself will be met, and not one goal could possibly be met in this proposal of conserving more soil than is lost month by month, year by year from erosion and other bad effects from not having good conservation practices.

So I just think this change of taking the administrator out and professional out and substituting with Mr. Myers from Missouri just caps the whole sad program that is before us in this budget. Whether you could change it or not, I do not know, but I do not believe your current function, Mr. Secretary, should be to decry and lament and clearly enunciate for this entire country that this proposal is absolutely counterproductive for soil conservation and is a backward step. If Mr. Myers is supposed to come in as a new administrator to supervise the dismantling of conservation efforts in this country, perhaps he is a wise selection.

But if we truly had an effort to continue conservation, soil conservation in the United States, then I think we should stick with professionals.

Senator JEPSEN. Thank you, Senator. I know you want to respond, Mr. Secretary. But Senator Zorinsky, do you have a statement?

Senator ZORINSKY. Why not let the Secretary respond first and then I will make some comments.

Senator JEPSEN. All right. Well, Mr. Secretary, let us see if we can summarize this up to this point. There have been many articles in newspapers on your appointment of a nonprofessional soil conservationist to a key position, of Chief of the Soil Conservation Service. We would appreciate it if you would address yourself to this. What is the philosophy behind the appointment? How do you

[1] See p. 39 for the prepared statement of Senator Melcher.

react to the charges that the major reason for the appointment is that Peter Myers is a close personal friend of yours?

Secretary BLOCK. Well, I am very pleased to have a chance to respond to this question. I think I understand as well as anyone the needs for soil conservation in this country. I have participated in programs. We have built terraces and filled ditches and put in structures and built dams. There is hardly a program that I have not done and participated in and applied on my own farms. It is not something that I am unfamiliar with. I have lived it for a farming lifetime and I still feel, and I feel today that we have an important urgent need to address the soil conservation problems of this country.

We also are quite aware that we do not have as many resources as we would like to have. It is easy to say that we did not put enough money in the program, and maybe we did not and maybe we did. But I am convinced that we can do far more than we have done in the past with the given amount of resources.

I am also further convinced that one way to get that done is to bring someone in that has a sterling farming record, a record as a leader in agriculture, someone that has practiced soil conservation, someone that can motivate and someone that can relate directly to farmers because he has lived it and he is part of it, and I feel that in an agency that is completely staffed with the finest of technicians and professionals—I would not quarrel with that—but I think there is a greater advantage to having someone at the helm that knows the agricultural industry from the ground up and he will be able to help guide our efforts in soil conservation in a practical way in the direction of providing for some prioritizing and some targeting and getting some real action.

You know, it is easy—you know, well, we have not seen the action happen yet, and we have not seen it yet as much as we would, like to see, but I am convinced that in the next 2 or 3 years if we move forward like I am convinced that we will, we are going to see more movement and more improved conservation on this land than we have seen in the past 10 or 15 years, but it is going to have to happen mostly in terms of improved farming techniques and better management practices on the land. There will not be enough resources to build enough terraces to make the kind of progress we really need to make.

We will keep building terraces to the extent we have money, and I say "we," since I am talking about the farmers themselves with the amounts that the Federal Government is willing to cost-share, working with the States that also have in the cost-share programs for conservation, but it is going to take another effort just to employ the improved farming techniques. Many of them are available now, but many farmers are not employing those techniques. That can be of enormous benefit. We will see more of that and you will see the good farmers in the neighborhood setting the example. There are some farmers that everyone watches and when they buy a certain tool, the neighbors buy one like it, and if they farm in a certain way then the neighbors farm in that way. We are seeing this happen in some neighborhoods in parts of the United States. We need to see it more often and that means we need to have a broader base of support, a broader appreciation for soil conserva-

tion needs and I think we can build that with the aggressive action plan that I am suggesting.

Senator JEPSEN. I again reiterate that I appreciate the fact that you did work with the President to spend time here with us. It is coming to a close. This is a personal type of question. I would like to pursue this further if you want to, since your assistant will be here to answer other areas.

Do you want to elaborate or ask any further questions at this point?

STATEMENT OF HON. EDWARD ZORINSKY, A U.S. SENATOR FROM NEBRASKA

Senator ZORINSKY. I just want to make a comment and briefly offer my statement and hopefully without objection have it put in the record as if read.[1]

Generally, Mr. Secretary, what I would like to say is—our farmers today, as you are well aware, are facing the prospect of the lowest real farm income since the Great Depression. Our farm and ranch land, it is under extreme stress because low farm prices discourage farmers from implementing expensive long-term conservation programs.

You just made the comment about when a leading farmer buys an implement, the other farmers buy an implement like that to instill good conservation practices. I am always told at this table that the timing is wrong to do certain things. For instance, the timing is wrong now to negotiate a 5-year grain agreement with the Soviet Union because of their practices in Poland currently, so the timing is wrong to do that.

I submit to you that the timing is wrong now to reduce the budgetary allotments for soil conservation at a time when the farmers are in extreme dire economic condition, and as an example of that I might point out the John Deere Co., Omaha, Nebr., 75 years, closed their doors last week. They are not going to be selling those implements or those tools that you say other farmers go out and purchase.

You are the expert in agriculture. I am a businessman for 25 years. I have met payrolls and I know that in my own business when times were tough and my cost of production, so to speak, was higher than what I could sell a commodity for, I started tightening the belt and where I tightened it is in areas where normally I would like to upgrade my trucks or make sure my elevators worked properly, but I skimped on those.

I submit to you, Mr. Secretary, that the farmers will do the same thing when confronted with that list of priorities, which means their continued existence in agriculture or their very survival, and so I hope that you will get the timing with respect to the cuts in the budget in this program as being maybe in good keeping with long-range business practices but perhaps being a little untimely with respect to today's economy.

Thank you.

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[1] See p. 38 for the prepared statement of Senator Zorinsky.

Senator MELCHER. I would have to disagree, that it is long range at all. There is no cost sharing, Mr. Secretary, I will point out to you, when you reduce those four programs from $291 million to $56 million. There is no cost sharing there. It is gone. You have got four programs to split $56 million and there is not any opportunity for farmers and ranchers to cost share. That is out the window. We have been doing—in the Western States we have been doing the type of tilling, at least in my State we have been doing the type of tilling that you advocate for years. Erosion for us starts two ways. It starts with dryness and if there is not enough rain, the wind blows the soil, no matter what kind of tillage you use. The other type of erosion we have, if it rains too much we have stream bank erosion. You do not have any cost-share money in there to prevent that. It is just talk, Mr. Secretary, and talk is not buying soil conservation and you cannot get it without spending some money. Now, where the States or counties are supposed to come up with the money, I do not know, but where cost sharing comes in, it does not make any difference, there are no Federal dollars to cost share with, then this is a backward step in soil conservation and is a bad backward step and I think, Mr. Secretary, the budgetary constraints being what they are, if you have to live with it, you might as well say it like it is, it is bad, it is backwards.

Terracing is fine, but I am talking about where the Dust Bowl starts. I saw it starting last year in Sidney, Mont., when you could not see the Sun at noon for the haze and it starts when there is not enough rain, the wind blows, the erosion is there, or if it rains too much, we are going to have the stream bank erosion. That is where the great effort came for soil conservation, for national soil conservation. It was born during the Dust Bowl days of the thirties, it is my recollection.

I am for every one of the practices that you mentioned in Illinois and Iowa and other places like that, but I have to remind you that there is a vast amount of land out there that can blow away or erode away through too much rain, and nothing is being done in this budget. I really think you serve the public interest best by lamenting the fact that we are just not getting anywhere and that we should be giving that higher priority and demand that Congress give more attention to that high priority.

Senator JEPSEN. Thank you. I would acknowledge the presence of Senator Hayakawa and advise the Senator that the Secretary, by prearrangement, had postponed a meeting with the President from 10 until 11 in order to be here and he must leave at 10 minutes of. We will——

Secretary BLOCK. It is 5 to now.

Senator JEPSEN. It is 5 to now and you have Mr. Siegel, is that correct?

Secretary BLOCK. Yes.

Senator JEPSEN [continuing]. Who will take his place and I know from what is coming that he is going to have a lot of questions to discuss with you. We will not hold back any punches just because you left, but you must be on your way and thank you very much for making arrangements to be here. There will be many questions for the record as well as the ones that we will work with Mr. Siegel on.

Secretary BLOCK. Thank you, Mr. Chairman, and I want to thank the Senators here for joining today as we explore a subject that we are all very interested in and concerned about.

Thank you.

Senator JEPSEN. Thank you, Mr. Secretary.

Do you have an opening statement that you would like to make?

Senator HAYAKAWA. Yes, I do have. Is it Mr. Siegel?

Mr. SIEGEL. Yes Senator.

Senator JEPSEN. I will introduce Richard Siegel, who is the Deputy Assistant Secretary for Natural Resources and Environment. Senator Hayakawa is recognized to make any opening statement you may have before we proceed.

STATEMENT OF HON. S. I. HAYAKAWA, A U.S. SENATOR FROM CALIFORNIA

Senator HAYAKAWA. Thank you, Mr. Chairman.

Mr. Assistant Secretary, you may recall a problem which I brought to both your attention and the Secretary's during the hearing last October. Specifically I was concerned with the buildup of soil salts in California's fertile San Joaquin Valley.

Because of inadequate drainage, 400,000 acres of farmland in this region are now threatened, and I am interested in how your proposed conservation program would address this problem. The Secretary admitted that the agency did not yet have an answer or solution. However, he said they were looking forward to a subsequent comment period so that they could get some more input concerning the issue.

Now, there is no doubt that California's San Joaquin Valley is a national and not a local problem. There are products grown there which are grown nowhere else in the United States. However, the proposed Resources Conservation Act, I believe, does not address the problem of soil salinity despite the fact that a number of comments were submitted during the appointed period.

With this in mind, does the Secretary propose revising his program to deal with this problem and other regional problems which threaten the long-term agricultural productivity of the Nation?

The Secretary's RCA program report, page 8–1, states,

> None of the program alternatives would reverse the trends that threaten the productive capacity of the nation's soil and water resources.

I would ask why not. When does the Secretary propose to take the actions which are necessary to insure the long-term productivity of forest range and croplands? What will it actually take to reverse these destructive trends?

In this same report, it has been stated on page 8–1 that, "Nondegradation of these resources should be the ultimate national goal," but that "additional analysis and preparation will be required." Yet the Secretary and the Department have failed to develop a program which reverses the worsening trends in the condition of soil and water resources.

What additional damages will result from continuing to defer the necessary actions?

Fourth, the RCA preferred program proposes "a new partnership which would include establishment of a new bureaucracy of local,

State and Federal committees on top of existing ones to set funding priorities." This proposal which received widespread opposition from all levels offers questionable benefits. What is its value? How does the Secretary justify it in these tight economic times?

And finally, the preferred program fails to assure that public investment in agriculture is tied to sound soil and water conservation practices. Further, there is no formal Federal policy which requires good land stewardship in return for direct Federal conservation, crop and other farm-related assistance. Why doesn't the Secretary's preferred program include such a policy? In its absence, how does the Secretary propose to realize a positive return on our public investment?

Thank you, Mr. Chairman.

Senator JEPSEN. Thank you, Senator.

We will now go into the formal questioning part where we will have a limit of 10 minutes of questioning. I will not take that much time, but I would like to open up the questioning of Secretary Siegel with this.

The Resource and Conservation Act of 1977 requires a report to Congress on all soil and water conservation programs in the USDA. The act requires this report in 1980 and it has not yet been issued. One of the problems that we have and are accused of having, quite appropriately here on the banks of the Potomac by the rest of the country, is that the left hand does not know what the right hand is doing. If we are to move out, as we fully intend to—and I can assure you that we are going to—get action in the soil conservation area, one of the first things we have to do—like when you start on any journey—is you have got to find out where you are so then you can kind of lay plans for where you are going.

Now, to find out where we are and how many different programs and different departments and agencies and bureaus and so on are working on soil conservation, I think the Congress quite appropriately requires a report. However, in 1980 it was due and it has not yet been received. Can you tell me when Congress will receive it?

Mr. SIEGEL. The work that was done from 1977 through 1980 involved many different parts of the Department of Agriculture. Many of the subsidiary agencies in the Department of Agriculture were working together and collaborating for the first time. A great deal was accomplished, but the actual completion and resolution of many policy issues and many organizational issues within the Department was one of the casualties of the great change that we had in the Government following the 1980 election. So it fell to this new administration and the Department of Agriculture to pull the various strands together, to collaborate on a new approach to RCA and to bring this great effort finally to a resolution.

We worked on this over the summer, and we were before the Congress on October 28 to present, the outcome of our work in resolving the soil and water conservation plan. Secretary Block briefed the full committee, as you will recall. The 2½ months which have come since then have been a period for public comment. We are shortly going to have the full tabulation of the comments and we are giving this assignment very top priority. We have done our homework, we have heard from the public, we are going to hear from Members of Congress and the other public wit-

nesses today at this hearing, and we are imminently going to have this thing finished and ready to send on for clearance by OMB and the White House so that you can finally see this report.

We are not happy with the delay, but we think the relief is coming very soon.

Senator JEPSEN. Mr. Siegel, if I had asked you the question—and I say this very constructively—if I had asked you the following question: The period for receiving public comments of the Secretary's recommended RCA program is now complete. Can you provide a general preview of what the public reaction has been to those proposals, what the Department has done? You just answered that, but that is not the question I asked you.

The question I asked you is that the RCA Act requires a report to Congress on all soil and water conservation programs in the USDA. Now, that is how many different departments are working on it, so that we can have a picture here, total and complete, maybe for the first time in history, of just what all action and potential resources, departments, personnel and so on are available for soil conservation and in fact what the various programs are doing. This was the act that was required in 1980. Now, it has not yet been issued. Maybe you simply want to submit for the record, you can have an answer sent back on it, but—I understand the answer you gave——

Mr. SIEGEL. Well, this may have been something that was intended to be included in our very hefty document that was presented last October, something that fell through the cracks, but we will certainly provide it.

Senator JEPSEN. OK. I would like to have, as the Subcommittee on Soil Conservation, I would like to have a complete picture of all of the various soil and water conservation programs in the USDA, and that is a specific report spelled out in the act and it was required in 1980, and that is something above and besides the RCA program.

Mr. SIEGEL. OK. That is a fair request.

Senator JEPSEN. In the interest of time, now I will recognize Senator Melcher.

Senator MELCHER. Can we assume that this replacement of Mr. Berg, the Chief of the Soil Conservation Service, that there will be further repetition of—by the way, I know that Mr. Myers is a Democrat, and that is fine, and my objection to Mr. Myers has nothing to do with his political party and I would not have the slightest idea nor would I care what party Mr. Berg came from or espoused. What I was really interested in Mr. Berg was his professional background.

Is this where it is going to stop, with putting a political appointee in as Chief of the Soil Conservation Service, or should we look to see who is going to be regional or who is going to have regional positions, State positions, whether or not those are going to be political appointees?

Mr. SIEGEL. Well——

Senator MELCHER. Rather than professionals.

Mr. SIEGEL [continuing]. When Secretary Block was here, he professed great confidence in the structure of the Soil Conservation Service and the professional, technical background of the people

who serve in the Soil Conservation Service, 14,000 of them, from the district conservationist level, the area conservationist level, the State conservationist level on up. The Secretary has great confidence in the technical background, the technical ability of the service and how its leadership is developed from within, and I feel that this reflects his feeling that the agency should remain a technical service. And the way he put it, if you recall, he said from top to bottom there are technical and professional people. He felt that the leadership at the very top could best be provided at this time in his view by a person coming directly from a farming background.

Senator MELCHER. But that is where it would end. I am interpreting your remarks to mean that is where this ends, beyond that one slot, the Chief, you would use professionals, is that right?

Mr. SIEGEL. That is my understanding at this time.

Senator MELCHER. I hope you are right.

Now, there has been a lot of talk about going to let the States do more, take more of the responsibility. This sort of grant approach, there is only $10 million in Federal funds that would be turned over to the States. Where are the States supposed to get it?

Mr. SIEGEL. The $10 million is the figure in the 1983 budget for the special matching grants to conservation districts.

Senator MELCHER. $10 million?

Mr. SIEGEL. That is in the 1983 budget.

Senator MELCHER. Matching grants?

Mr. SIEGEL. Yes.

Senator MELCHER. How many districts—what would the districts get?

Mr. SIEGEL. Well, a small number of districts would be eligible for this.

Senator MELCHER. How small? Ten?

Mr. SIEGEL. Oh, more than 10, possibly 40 or 50.

Senator MELCHER. Fifty? Forty would be $250,000 apiece.

Mr. SIEGEL. Somewhere in that range. We have not seen just how many would apply under the guidelines.

A $250,000 grant would cover compensation for about 10 staff people so it is likely we would be spreading the money to more districts than 40. If we wanted to let a district hire two additional staff people at $50,000 per district this means we could help as many as 2,000 districts on that approximate scale.

Senator MELCHER. Let's see, we have got Missouri, we have got the Yellowstone, we have got the Marias, we have got the Big Horn, we have got Clarksburg—you know, I could go on for about 30 more streams that you would probably recognize their names. The district got $250,000 to match another $250,000, it could probably riprap three different portions of the Missouri, four different portions of the Yellowstone, very narrow portions, just some sort of trouble spots from the last runoff. What would be done with the entire rest of the State?

Mr. SIEGEL. We are not billing this program as an answer, or a panacea for every conservation problem in every part of the country being served by every conservation district.

Senator MELCHER. My problem is I do not think anybody is going to get anything out of it, and whoever does is going to be like playing keno.

Mr. SIEGEL. Let me——

Senator MELCHER. Your numbers might come up, but there are not very many winners and it does not happen very often.

Mr. SIEGEL. Well, you could make that charge about the whole concept that we have proposed of taking our existing funds, as scarce as they are, and targeting them to areas that we know are producing the greatest problems in erosion, the greatest problems in flooding and the greatest problems in water conservation, and this program, like the other programs, will be targeted.

Senator MELCHER. Can I take it that you disagree with this program?

Mr. SIEGEL. That I disagree with the program?

Senator MELCHER. Yes.

Mr. SIEGEL. No, I do not disagree with the program.

Senator MELCHER. Can I take it then that you think it lacks in taking care of very many places in the United States where there is a problem?

Mr. SIEGEL. I said that with the funds available at this time, we want to get a program going, we want to start off a program and see how we can apply it in a very limited targeted way to the problems that confront us.

Senator MELCHER. I understand that. I heard you say that. But can I take it that you feel that very little can be accomplished?

Mr. SIEGEL. I did not say very little could be accomplished. I said——

Senator MELCHER. Well, I am asking you, do you feel that very little can be accomplished?

Mr. SIEGEL [continuing]. I think that with the expertise and the data that we have in the Department of Agriculture through the ASCS as well as the SCS, we can take those $10 million and make them a demonstration of how technical assistance to key districts in certain parts of the country can produce a cost-effective approach. This has to be our emphasis, whether we are talking about the $10 million that is in this program or the $250 million or so that we spent for the entire conservation operations line in the budget.

Senator MELCHER. Can I take it that you agree that this does not begin to meet the problem and that we are going to have more soil degradation than what we could correct, in other words are losing ground on it?

Mr. SIEGEL. In terms of total nondegradation, total abolition of soil degradation——

Senator MELCHER. I am not speaking about that. I am speaking about whether there is going to be more degradation going on than what is being corrected, in other words, a net loss during this period of time.

Mr. SIEGEL. Well, if we did nothing instead of what we are planning to do, we would have a greater soil loss.

Senator MELCHER. But that does not answer the question. I am going to insist that this question be answered, what your true opinion is, whether or not there will be more soil degradation that will occur during this period of time than what will be corrected, in other words a net loss.

Mr. SIEGEL. If——

Senator MELCHER. I am not saying that $10 million matched by another $10 million or $20 million is not going to do some good, but I will insist on an answer to the question. Is it not your judgment that there will be more soil degradation during this period of time under these expenditures than there is corrected?

Mr. SIEGEL. Conservation work as a whole comes from all of the private decisions of the farm community, as well as the public sector. The public sector's effort is only one fraction of the total conservation effort, and I think that although you could say that we are losing the battle against soil degradation every year that we do not raise public spending, then you are implying that the whole job belongs to the Federal sector and, as Secretary Block pointed out earlier, what the farmers do, what their individual decisions are, is what is going to win the fight on soil degradation. These grants will be targeted to areas with the most excess soil erosion, they will make gains in those areas. We will learn things to help us cope more effectively with erosion over the long term. So we're moving in the right direction.

Senator MELCHER. I take that to mean that if the $10 million is matched or even doubled, that there is going to be a net loss in degradation because you have got to start it, grant it if farmers come up with a whole lot of money, which they do not have, and the States come up with a whole lot of money that they do not have to make up for the losses, you could probably reverse the degradation.

By the way, this degradation that we have is nonpolitical. I think you are fully aware of that. It has gone back over every year since I have been in Congress, under whoever was in the administration, we have had a net loss. So it is not hard to answer. We have had net losses in the past and we are setting up to have net losses in the future.

Thank you.

Senator JEPSEN. Thank you, Senator.

Senator Boren is here to introduce Walter Woolley, vice chairman of the Private Lands and Water Committee of the National Cattlemen's Association, and we will recognize Senator Boren at this time for that purpose.

You may proceed, Senator.

Senator BOREN. Mr. Chairman, would it be your desire to have Mr. Woolley testify later or will he testify later on in the morning or will——

Senator JEPSEN. Yes; he will testify later. We will continue on with Mr. Siegel.

STATEMENT OF HON. DAVID L. BOREN, A U.S. SENATOR FROM OKLAHOMA

Senator BOREN. I appreciate very much your allowing me to interrupt the proceedings to present Mr. Woolley and to tell the committee a little about him. I apologize that I am tied up in some other hearings at another committee this morning and have been unable to be here through the full presentation this morning.

I have known Walt Woolley all of my life. He is from Ada, Okla. He is here representing the National Cattlemen's Association

today. He has a very distinguished record himself as past president of the Oklahoma Cattlemen's Association. He has been active with the national association for many, many years. He also serves as a member of the Oklahoma Conservation Commission, and I will say with pride that he has served in that capacity also during my administration as Governor. He is extremely knowledgeable about the whole soil and water conservation program.

Not only is Walt extremely active himself and knowledgeable, his entire family is involved in this effort; his wife Anne has been the national president of the National Cowgirls Organization. They are very well known in agricultural circles.

He will be testifying to the committee about the position of the National Cattlemen's Association on the proposed deferred program and the changes that are being suggested in the RCA process, and I would just say that I strongly endorse the comments that he will be making. I personally feel very strongly that we need to maintain without radical change, while there are certainly some areas of improvement, the great partnership we have had in the past with voluntary cooperation and the voluntary cost-sharing program that is locally controlled and I think meshes the finest of our free enterprise system with meeting national objectives on a voluntary basis.

I share concern that the National Cattlemen's Association has that we not try to fix something in a way that will make the problem worse, particularly I hope that we will not try to impose another layer of bureaucracy in the system that we have now. We have an excellent system. It works very well in the State of Oklahoma, with our great conservation commission and with the local committee organization at the grassroots, and I would just say that I endorse the concern which he will express about any major changes in that program.

I know that the committee will listen to his comments later on today with interest and, Mr. Chairman, I appreciate very much your letting me interrupt, and I apologize to my fellow members that I cannot remain here with you through the whole proceeding.

Senator JEPSEN. Thank you, Senator. We will look forward to hearing the remarks of Mr. Wolley, most especially now on the basis of your introductory remarks. Thank you for them.

Senator BOREN. Thank you very much.

Senator JEPSEN. At this time we will continue with the questions for Mr. Siegel. I would advise the reporter that we have questions to be submitted for the record from Senator Huddleston, which will be submitted for the Department to answer.

As Senator Boren said, there has been quite a negative response to your proposal for local and particularly State coordinating boards. I have not yet heard a good explanation of what these boards would do, how they would be structured and funded. Would you want to comment on that?

Mr. SIEGEL. The coordinating boards proposal stems from a realization that in the soil conservation community at the county level and at the State level, there are many different organizations that have had a piece of the action traditionally. The ASC county committees have been in charge of awarding cost-sharing payments. The Soil Conservation Service has been providing the technical as-

sistance personnel to the soil and water conservation districts. The Extension Service has had county agents who have had an interest in soil conservation.

As Secretary Block pointed out, there are several private voluntary groups of farmers and farm producers that have been taking a greater interest in soil conservation and should have a great input and role at the local level, particularly the commodity oriented farm groups.

So this arose out of Secretary Block's feeling that from his own background in the State of Illinois that if the State and local levels were going to be brought in more fully into the planning process for soil conservation, there should be more coordination. We should have an assurance that there should be more coordination at the county level and at the State level. So coordinating boards were an attempt to assure that there was a mechanism for coordination.

Now, we have received a great deal of adverse comment from many who responded in the comments. Although we have not reviewed the precise tally yet, we know that this is one of the most controversial and strongly objected to of the provisions.

Senator JEPSEN. Who is objecting to them? Who are the negative comments coming from?

Mr. SIEGEL. The conservation districts have been highly critical of this proposal because of their role under State law to develop, set priorities and implement conservation programs at the local level, which is a role given to them by State law in the 50 States, and this was seen by them as possible intrusion into their role under State law.

So we are having another look at this. We are taking it back to the drawing boards and certainly the last thing we wanted was to create a new layer of bureaucracy. The last thing we wanted was to go into a State that had all the different component parts of conservation working together and say, no, you have to reinvent the wheel. That is the last thing we wanted to do, and this is why we are taking this whole matter back under advisement.

Senator JEPSEN. On that line of targeting of technical assistance funds to geographic areas of national significance, which we included in our 1981 farm bill, it seems to ignore the long-standing concept and policy that soil and water conservation programs are based on the priorities of local conservation districts. Is there a paradox here or what rationale is there for targeting these funds at the national level of national priorities?

Mr. SIEGEL. The paradox is one that we are going to have to balance. We have two goals which might appear to be in contention and conflict. For example, Senator Hayakawa, who had to leave, presented his first prepared question, which had to do with a problem which is confined to his State or maybe possibly one or two other Far Western States, that of extreme soil salinity.

We need a program of soil conservation that is flexible enough to respond to local needs such as that and to reflect all the regional variations that occur in soil and water conditions throughout the country. The kind of program that we have nationwide should be flexible enough in a local area to give local service to address that local problem.

At the same time we come before Congress and we present a budget for the entire U.S. Department of Agriculture and we through very good advance data collection, we know that there are areas of the country that present problems of paramount importance to the whole productive capacity of agriculture, for example, in the Corn Belt, and your State, western Iowa, and other parts of Iowa have a severe erosion problem. We want to have the flexibility at the national level to divert resources and target resources on those areas which are the most severe and have the greatest impact in terms of our national agricultural economy. We place a number of areas in that category and we would like the flexibility here in Washington to go after those areas.

Now, we know this is not popular with people that happen to live outside those particular areas, but the dynamics of agriculture show us that the problems vary from decade to decade and move around. A conservation problem in one area of the country can be solved and then a new one will spring up in a completely different area of the country. We want to have the flexibility at the Federal level to put our resources into the areas that need it most and to have the flexibility to move in and not be hamstrung with the program that always must deliver a certain amount to each county, leaving us no flexibility.

Senator JEPSEN. I have a number of questions. We could pursue this course of questioning on this subject at some length, and I have questions that follow through this and I will look forward to the response in writing from you and at this time, in the interest of moving along, I will finish my questioning.

Senator Melcher, you may proceed if you have some.

Senator MELCHER. I just have one question, Mr. Chairman.

The Secretary says that his first priority is to reduce soil erosion and the second highest priority is to reduce flood damage in small upstream waterways. But it is my understanding, after looking at the proposed budget, that there is no new construction starts that will be funded under flood prevention or small watershed programs. That does not—does that mean that the Department has no mechanism to reduce flood damage in small upstream waterways?

Mr. SIEGEL. The RCA program is a program calling upon us to set long-range priorities and address problems in an order of priorities, and that is why we have listed flooding problems so high on the list. The fiscal year 1983 budget represents our recommendations for the fiscal year 1983, a year in which throughout the Federal budget, throughout all the discretionary programs we are under very severe constraints.

We have tried to fashion a budget for watersheds in the Soil Conservation Service that permits us to continue work that is already on-going and take on additional projects for planning, but not to implement new construction because that is where the great outlays are and we are carrying out a policy of trying to hold down this type of spending for the fiscal year 1983 because of its inflationary impact.

Senator MELCHER. So no new starts, not much done then in the fiscal year 1983?

Mr. SIEGEL. That is the shape of the fiscal year 1983 budget.

Senator MELCHER. It costs $1 million to devise an environmental impact statement for the national forests, just one of our national forests. Am I anywhere off the mark if I estimate that this EIS you are completing with 80,000 comments, when you figure all the man-hours and person-days, that we are probably talking about a $3 to $4 million project?

Mr. SIEGEL. If you go back over the collective amount of work that has been done on this program since the Congress enacted it in 1977, Congress has given us the appropriations to carry out the additional work that this program entails.

Senator MELCHER. I am just talking about this last environmental impact statement.

Mr. SIEGEL. Well, we could provide figures for you on that. I do not have them at my fingertips.

[The following information was subsequently received by the committee:]

The estimated cost of the Environmental Impact Statement for the Program Report and Environmental Impact Statement, Revised Draft is $2,345,000. This includes the cost of analysis, report preparation, and distribution.

Senator MELCHER. I would appreciate that. I think we sometimes invite the departments and agencies to flood themselves in paperwork and I think maybe we ought to make some correction there. If we have to spend $1 million for an EIS in every national forest in this country, which does not do one thing about—it will not plant one more tree or provide for one more deer or one more anything, except keep people in offices shuffling paper and tabulating responses—80,000 comments—I have a rule of thumb, for every Federal agency to review a comment from one of these EIS, it costs the taxpayers probably $20 to $25.

I notice that you got 400 comments from districts and Governors and States and what have you, and I suspect——

Mr. SIEGEL. They were letters. They were letters, rather than simple responses on questionnaires.

Senator MELCHER [continuing]. I suspect to have those properly reviewed, evaluated and filed, it will cost about $100 because they are more important, I think. I do not know whether we are getting very far with just having your professional people shuffling paper around.

Senator JEPSEN. May I add, Senator, that the small watershed program has been very successful in Iowa and in many other States, the flood prevention programs and providing local people in my State and elsewhere the technical and financial assistance to solve our soil erosion problems. So it does seem to be a paradox in that you are putting restrictions on the program, and at the same time the top priorities in your preferred program is exactly upland flood damage problems and the technical and financial assistance to resolve that. Then when you say that you propose new planning starts but no new construction starts, locally and from the outside it looks like you are creating a program imbalance from the beginning. Anyway, these are the types of things in writing that we will have to resolve. I think they point up more than ever my original request that we have as soon as possible the total picture of just what the departments are doing in soil and water conservation as

requested by the RCA Act that was supposed to be submitted in 1980.

One final question along that line, in talking to all of the various boards and bureaus and layers, federalism, back to the States, grants, who is doing what, the left hand versus the right hand. You proposed a National Conservation Board, a new one, to advise the Secretary, to review requests from the States for matching grants and to recommend action. In what way would the duties of this Board substantially differ from the existing responsibilities of the Soil Conservation Service? Would not this be a duplication of effort in the bureaucracy?

Mr. SIEGEL. The National Conservation Board would be composed of individuals whom the Governors of the various States would nominate. So in our overall plan the National Conservation Board represents a new sounding board here in Washington that would bring to bear on decisions in the Department of Agriculture new inputs from the Governors.

Senator JEPSEN. Well, I am not quarreling with the intent on this, and maybe today is a new day and so on, and this is a new Board, but I certainly would caution and encourage a second look at all of these establishments of new boards and new layers of checkpoints and review requests. This is the type of layer on layer on layer of redtape that eats up every dollar that goes to conservation. It seems that when the Federal Government gets involved, whether it be conservation or anything else, it takes anywhere from—it starts with 40 and then 50 and then 60 and then 70, and pretty soon 80 and 90 cents goes for people who administer the program to tell the folks what the program is all about and to decide where the program is and where it has been and where it is going, and subsequently the goals of the program never get addressed. You have to watch that.

Thank you very much, gentlemen. We do have other questions for the record.

Mr. SIEGEL. Thank you, Mr. Chairman.

Senator JEPSEN. We may have another hearing. We really did not scratch the surface Senator Melcher, I will get together with you and see, I think it warrants possibly another hearing to have the Secretary and yourself and others come and maybe we can have that report coordinated by that time.

Mr. SIEGEL. Thank you.

Senator JEPSEN. Thank you.

Now I would like to ask a panel consisting of—first of all, we will have Neil Sampson, executive vice president of the National Association of Conservation Districts.

Neil, you may proceed, and after that we will then go into the panel and we intend to stay in this hearing until that panel and everyone who is scheduled to appear today will have appeared. So we will go directly through the major portion of the noon hour to do so.

Mr. Sampson, you may proceed. Welcome.

STATEMENT OF NEIL SAMPSON, EXECUTIVE VICE PRESIDENT, NATIONAL ASSOCIATION OF CONSERVATION DISTRICTS

Mr. SAMPSON. Thank you, Mr. Chairman. I have a statement prepared and I would ask your permission to have it entered in the record as if read. I will try to briefly summarize my remarks.

Senator JEPSEN. Without objection, it is so ordered. It will be entered in the record.[1]

Mr. SAMPSON. The questioning that has preceded me here today has hit on some of the issues that I have tried to touch on in the statement. The RCA has been a very politically difficult process because it tended to show problems to which political solutions were not easily forthcoming, and I think your questioning today has reflected that.

The farmers of America are facing the toughest times they have ever faced. This committee doesn't need anyone to come to you and say that. The facts and figures are perfectly clear. A Federal budget that proposes to cut back on conservation spending at a time when the industry is $200 billion in debt and facing maybe $10 to $15 billion in net profits this year, the lowest since the Depression, simply means that the conservation work that requires investment out there just will not happen. Senator Melcher, in your questions you hit at that very well.

I would like to turn to some things that I think the RCA program simply does not touch, and I think these are the things that we need to talk about today.

First of all, it seems to be deplorable that we do not have a national goal that suggests that our soil conservation programs are really trying to do their best to prevent damage to the Nation's productive capacity.

The program that is proposed would scarcely slow today's soil losses. In fact, as Senator Melcher was getting at with his questions, they would probably allow damage to accelerate.

Now, admittedly, we do not always have the financial capability to do what we wish to do at any given time, but I think it is shortsighted not to set an objective that nondegradation of our resource base is the goal of our soil conservation programs, even though we recognize that each year we cannot always meet our goals.

Second, I think we need to look at the commodity programs. They should help encourage conservation and reward voluntary conservation by farmers with appropriate economic incentives, and perhaps go so far as to penalize or disqualify those that refuse to take appropriate care of the land. That is a very contentious issue, one that raises difficult political issues. Our organization, along with others, have a very difficult time with that proposal.

But while we sit here and listen to a Secretary that says he is the strongest supporter of soil conservation that could possibly be imagined, we have a 1982 set-aside program which is giving a set-aside on the basis of last year's crop acres. The effect of that is that the person who voluntarily diverted marginal cropland into grassland last year is going to be penalized and the guy who plowed it

[1] See p. 52 for the prepared statement of Mr. Sampson.

out is going to be rewarded, and it is going to happen again just like it has happened in the past, all rhetoric aside.

We need a way to slow the conversion of marginal lands to cropland. Senator Melcher, I got a letter the other day from a conservation district supervisor in Wibaux, Mont., accompanied by a color photograph of a piece of land blowing away. That land was probably rated as Capability Class 6, which, as you know, is too marginal to be farmed. That farm was being subsidized by a low-interest Farmers Home Administration loan that enabled that farmer to go out there and farm in ways that the land will not tolerate. Similar examples of that problem run from the Canadian border to the Mexican border down the western side of the Great Plains. We have simply got to do something about that.

We need a dedicated funding source that diverts a portion of the revenues derived from the extraction of nonrenewable resources into these programs. We fight this budget battle all the time. We are busy pumping the oil and mining the coal produced by the plant growth of former millenia, and when we are done with that we are going to have to look to the land as a renewable source of all that we need, food and energy alike. Right now we are not diverting any portion of the Federal revenues from the depletion of nonrenewable resources into the inevitable transition to a society based on renewable resources.

If we can divert the funds that come into the Federal Treasury from leasing offshore oil leases into the purchase of recreational lands, certainly we can use that same strategy and divert some of that money into programs that are needed to protect our renewable resources.

We need tax incentives that encourage land conservation. Senator Jepsen, we want to congratulate you for your efforts in this regard. I know that the political climate is not too good for new tax credits right now, but we can at least address some incentives that are wrong. I have on my desk a paper from Nebraska that illustrates how current tax credits encourage the conversion of Nebraska sand hill rangeland to sprinkler systems. Tax benefits average $130 an acre, and run higher for large corporations than for small taxpayers. So today the Federal tax code is encouraging people to do things on the land that we would rather see not done, while there is little in the tax code that encourages farmers and ranchers to do the things that need to be done. Surely we can fix the tax code so that it is a smaller part of the problem, even if we find it politically difficult today to add new tax incentives.

We need a way, as Secretary Block said, to target toward those areas that need USDA's help, but we need to do that without stripping the base program out of other areas. Each State and district has areas that they are trying to work on, and somehow those States and districts have to be a part of that targeting effort.

There needs to be more dedication to implementing the 1981 farm bill that you people developed. You passed a new special areas conservation program, but I defy you to find mention of that in any proposal that the administration has brought forward to date. It would provide an excellent way to target some of their effort. It was developed after a great deal of work in Congress, yet the administration still does not recognize its existence.

You passed a matching grant provision, and USDA has plans to implement it. This is a way to target some Federal effort toward the people that are willing to put up their own money. The President's 1983 budget proposes a $10 million grant program. About $200 million is currently being appropriated directly to soil conservation activities by State and local governments.

Mr. Siegel's contention that maybe 40 conservation districts could qualify for that grant program is off by an order of magnitude or two. There is $200 million out there, and there are nearly 3,000 districts, most of whom have some idea as to things they need to do and ways in which they could qualify.

We need a strong commitment to the research and education programs aimed at increasing the scientific basis for what we do and for making our agriculture more sustainable.

On this matter of coordination at the local level, our conservation districts found the committee idea proposed by USDA repugnant, as you know. They found it condescending, and would still find it condescending for the Secretary to sit here and bemoan the fragmented efforts of the past and how they have never worked. There are thousands of people around the country at the local level—ASC committeemen, conservation district officials, agency people—that have been doing their best to do a good job in the middle of terribly difficult circumstances forced by a completely changing agriculture and shrinking program resources. It is insulting to them to sit on this side of the Potomac and tell them that they do not know what they are doing and that we are going to fix it from here.

Finally, I would like to conclude by pointing out that the Reagan budget priorities for soil and water conservation programs are simply abysmal. While conservation programs take cuts of one-third or more, Federal water projects would take a 23 percent raise this year. While the Reagan budget proposes to spend $3.25 per man, woman and child in this country to take care of the land that supports us all, it would spend $1,000 per man, woman and child over at the Pentagon. That is a matter of balancing priorities; it is not that the money does not exist. It represents, it seems to me, a very warped view of what really sustains the strength and security of this country because, quite frankly, if that land out there is not working and those people cannot farm at a profit and make a living and sustain it, this country does not have a lot of future. It is time we recognize that.

I appreciate your kindness in listening. I would be happy to respond to any questions.

Senator JEPSEN. Those are powerful words. Do you not think we can conserve our soil maybe and provide for a national security both? Are we great enough a Nation to do that?

Mr. SAMPSON. Of course. If it is costing $3.25 per man, woman and child, my suggestion that we could double that effort still does not sound like a tremendous bill, does it? We are talking nickels and dimes in these programs. Every time we fight these budgets, we talk nickels and dimes that tend to get lost between the commas in the Federal budget process.

Senator JEPSEN. You state on page 4 of your testimony that it is difficult to convince the landowners to farm the eroding soils to

change their ways and turn to conservation management. This, you said, may take a more significant set of economic incentives, probably tied to market prices, rather than the public cost-sharing and back by erosion prevention standards of some type. Could you cite some examples? The idea sounds good. Can you give me some examples?

Mr. SAMPSON. Well, Iowa and Illinois and others have taken a serious approach to this question. They set up a process to establish soil loss standards at the local level. It is not an easy process, to be sure, but it can be done and it is being done in your home State and others. It is being done in a system devised locally by the farm community, working through conservation districts and State law. Once those standards are in place, people who violate them should not be getting public financing to underwrite that violation.

We do not go so far as to say that we ought to treat those people as criminal. I do not think we ought to get into a regulatory mode. But I do think that if these people are not willing to take action, then we really should not be underwriting them with public programs.

Senator JEPSEN. In your opening statement and in your introductory remarks, I think before you got to your statement, I note that you said—and to move through it rather quickly—that you should penalize those who do not practice these things. Is this what you mean?

Mr. SAMPSON. By not allowing them to take part in the Federal programs that underwrite that economic activity.

Senator JEPSEN. There is no other thing as far as penalty?

Mr. SAMPSON. No.

Senator JEPSEN. OK.

Mr. SAMPSON. That was probably a poor choice of words.

Senator JEPSEN. I was curious. We find in our hearings—and I have found in the 3 years that I have been on this committee and held hearings in Iowa and discussed soil conservation, I have always asked the question, do you think it should be on a voluntary or involuntary basis? Overwhelmingly in 1979 it was voluntary, and then by a little bit more it was a little less voluntary and more—they said we should have some voluntary things or some direction, and it has changed a little bit each year. But I think basically it shows some of the desperate concern for soil conservation and, knowing full well that I think certainly in Iowa, as well as most people who work close to the soil, they do not want to be told or dictated what to do. But I think that is the challenge that is presented to us, through education, persuasion, salesmanship and so on, to get this thing moving off the dime.

Mr. SAMPSON. I think, Senator, if I might, it matters a great deal who asks the question. When a U.S. Senator asks if there should be regulation, the inference is "should there be Federal regulation?" When the Department of Agriculture asks if there should be a regulatory program in the Department of Agriculture, the inference is should there be a Federal regulatory mode in USDA's programs. The answer is an overwhelming no, people will come back every time and say no.

But when your Iowa State legislators held an intensive set of field hearings, they did not talk about what the Federal Govern-

ment should do, they talked with farm people about what they could do to help themselves get this problem under control. They came up with law that has soil loss standards established at the local level, but they did not invent that law here in Washington and they did not invent it in Des Moines. They invented it out in county courthouses all over the State, talking with farmers.

I have a great deal of faith in that as a process. We have conservation district people all over the country—and you are going to hear from one of them today—who have worked very hard at that local level and have a sense of that process. I have a great deal of faith in what they produce. I think what they will produce is the overwhelming verdict that Washington should not invent a new Federal regulatory framework, but that does not mean that they do not want to have some responsibility exhibited on the part of landowners out there in rural America, and I believe they are willing to talk to that.

Senator JEPSEN. Well, a preferred program indicates that redirection of existing programs or any new initiatives such as grants would be funded from existing programs. It is argued that it is simply redistributing programs and activities and not really coming to grips with a solid appraisal of the needs and broad public support for a more aggressive and better funded soil and water conservation program. Do you agree?

Mr. SAMPSON. That program is a Washington based, OMB-inspired notion that starts from the premise that we cannot spend any money on conservation, then tries to rationalize how USDA can do a good job without spending. Out in the countryside, the overwhelming public opinion was we have spent 40 years putting together a system that works, but it does not work without any gas in the tank. If you would put a little money in, it would have a lot better chance of working.

The overwhelming public response came back that way, but that was an unacceptable answer in this current budget situation, therefore it simply is not being used.

Senator JEPSEN. So you have kind of answered a followup question I had regarding that, and that would be can such a meek and meager offering in light of the administration's own appraisal of the conditions and needs coupled with strong public support for a higher Federal commitment to conserving these resources for the future generations be justified. That is quite a paradox.

Mr. SAMPSON. I think it is clear that the RCA response does not match up to the problem as it was measured, nor to the public response, nor to the political interest in this issue right now. That is the problem that the Department faces and that this Congress faces, because the 1983 budget is up here now and the Appropriations Committees will have a very difficult time with it.

Senator JEPSEN. Senator Melcher.

Senator MELCHER. Neil, you used a comparison of what we are spending on defense and I will give you another one. We are spending $11 billion a year on foreign aid. That is $50 for every man, woman, and child in this country. So you are right, we have got the money, it is a question of where our priorities are. You can nickel and dime this stuff, and if you are going to throw four of those programs that I mentioned that were costing around $300 million into

one and cut it back to $56 million, there is no cost sharing money available. Who is kidding who? It is a question of Uncle Sam being a part of this, only Uncle Sam is not going to put out any money because it is more advantageous, Uncle Sam has decided—and I will take part of that blame, I do not vote for these foreign aid bills but I take a big part of the blame that they pass—Uncle Sam is more concerned by a magnitude of about 2,000 to 1 about foreign aid abroad than he is about maintaining the most precious asset we have got, our land and our water.

So the priorities are not only mixed up, they are abysmal and defeat all rational explanation. But let us get to the other side. Uncle Sam is not going to do anything if that is all we appropriate.

What about the—you say States put in some money, which I agree they do—what about the farmer or rancher individual? You spoke in your written statement, your prepared statement about the farmer and rancher when the economic situation that exists right now, to what extent is this low farm income that is being projected for 1982 going to—what is it going to mean in the ability of the farmers and ranchers to cooperate in these practices?

Mr. SAMPSON. Well, most farmers are astute businessmen, any that I run into anyway—and any businessman that is operating in the red, where his cash flow is not covering expenses, has got only two ways to survive. He can use up inventory or he can go into debt.

Now, the inventory that really matters on a farm is under foot. It is that topsoil and the productivity that it holds. If you look at what is happening to American agriculture today, they went $20 billion further in debt last year, according to the USDA's numbers. They are farming about 40 million more acres than they were in 1977, USDA's estimates, and most of those acres are more marginal, most of the erosion rates are probably up. This is simply agriculture acting like any rational business person would under the circumstances. They are using up their inventory, and they are using up their credit line.

Now, that cannot continue. Farmers are telling our conservation district people all over the country that they are not going to be able to do conservation work this year. We have people saying, "I have done conservation work on my land every year for 23 years. I take great pride in that, but this year for, the first time, I cannot."

Now, the one case where this works the other way has been in the no-till, or conservation tillage, practice that works in the Corn Belt and some of the other parts of the country. This practice cuts expenses, so if you can cut expenses and reduce soil loss at the same time, you are going to do it.

Senator JEPSEN. In Iowa they say it is toil, soil, and oil.

Mr. SAMPSON. That's great, but it is not great in Montana, and much of the wheat country, where it does not work It is not the total answer everywhere. It is great where it works, but it is the only thing right now that cuts costs as well as soil loss. Other conservation practices are just going to have to go by the wayside until farm people get the financial capability—get back to the point where they are meeting their out-of-pocket expenses, let alone making profit to reinvest in the land. They are not doing that today.

Senator MELCHER. It is backwards, in one word, slipping backwards.

Mr. SAMPSON. We are about to see a new set of data. The Department has not brought that point up, but let me. USDA is running another natural resource inventory. The field work is fairly well done. The analysis of the data should take place this year. None of us know what it is going to say but, believe you me, we are going to look at it very closely. We will be bringing those results up here just as rapidly as they get them to the point where we in the private sector can take a look at them, because quite frankly I am terribly concerned.

I have a feeling that if we graphed what has happened to our land in the 5 years since the 1977 survey, and laid it down along side the graph of rising farm debt, we would have the same trend lines showing. I fear American agriculture is heading straight for bankruptcy, both biologically and economically, and I think that is a tremendous national concern.

Senator JEPSEN. There will be some additional questions for the record. Thank you very much for your very informed testimony.

I will now introduce the panel, if you will please come forward. Charles Frazier, director, Washington Office, NFO; Ms. Mary Kay Thatcher, assistant director of the National Affairs Division, American Farm Bureau; James Miller, the assistant legislative director, National Grange, and Carl Ek, legislative assistant to the National Farmers Union.

I would ask Mr. Woolley your testimony will be received separately and addressed separately, this is your understanding and preference?

Mr. WOOLLEY. Yes.

Senator JEPSEN. That will be done. You can just be seated here in the front line and follow the rest of the panelists.

We will take just a 60-second break.

[Short recess]

Senator JEPSEN. Back on the record.

Mr. Frazier, welcome to the panel. We look forward to hearing your testimony and advise you that your formal remarks will be received in the record as if read and you may proceed in any manner that you so desire.

STATEMENT OF CHARLES FRAZIER, DIRECTOR, WASHINGTON OFFICE, NATIONAL FARMERS ORGANIZATION

Mr. FRAZIER. Thank you, Mr. Chairman. I will be brief this morning because there are several to speak on this panel.[1] In my statement I refer to the economic condition in which farmers and ranchers find themselves today: I know you are familiar with that, so it is not necessary for me to repeat it. It is appropriate to note the statements of the fine preceding witness, Neil Sampson.

I cannot help but agree with him on what is going to happen to conservation out there in the country so long as we are stuck with these poor commodity prices, our current interest rates, our costs of operation and the declining cash flow that is hitting us for the

[1] See p. 60 for the prepared statement of Mr. Frazier.

third year in a row. It is most difficult, quite obviously, for a man to do much in terms of longtime investment in conservation. It will have to fall somewhere down on the scale in his priorities as we are operating today.

In the written statement, I do not undertake to review all of the meaning and thrust of the RCA or appear all wise and pose all the answers; there are two points of view that I would like to express and back them up with a few observations on statements made earlier in your hearing this morning.

Because of the economic conditions in which we find ourselves today and the possibility that it is going to continue for some time to come, we must oppose any proposal to establish cross compliance on the individual owner operators that are our principal producers out in the country.

If the FmHA and ASCS programs, with their restricted budgets, if the price support levels, which are too low, are to mean anything at all, they must be made available to those young farm families. Some of those people are literally struggling to survive in farming today. We cannot impose upon them the requirements that they comply with the plans and practice layouts that may be devised by some technicians and set up as the ideal way in which to operate the land.

There is too much at stake. If we proceed with further regulation along this line, it would be ironic for this administration, that talks about free markets, independence and deregulation for so many industries—certainly ours is important in the national scene.—I do not think we would like that bit of regulation imposed on us.

Our men and our families are conservation minded. They will do their best to conserve soil and water just out of their natural interest in the land and its importance to them in an economic sense. They should not be forced to participate in such a program in order to benefit by other Department programs.

The second point worth mentioning, because both of these issues were laid out by the Secretary last year in his first appearance on the RCA proposals, had to do with tax writeoff or some other change in the tax code to benefit farmowners.

If this Congress were able to write that provision, or persuade State legislatures to write it, in a manner that restricted its availability to individual owner-operators who came up in farming and who are farming for a living, then perhaps we could go along with it. But if you just add into the tax code another writeoff provision that enables the bankers, the doctors, other professional people and the foreign investors to compete with our farm families for farmland today, that is just one more nail in the casket.

They take advantage of the capital-gains provisions now; they have the ability to utilize income from sources other than farming to bid against our producers for farmland; you and I are both old enough to understand what goes on out there in the business world. It may be smart on the part of the people who are doing it but the consequences are that the competition for good land is made all the more severe for some of our up-coming young farm families. We could not go along with something in the tax code that would grant still another benefit to the outside investor.

I would add a few personal comments to support the views that have been cleared nationally with the leadership of my organization somewhat in the same spirit in which you and Senator Melcher were questioning the Department witnesses this morning.

Please pardon my personal reference. I spent one career in the administration of conservation programs for the ASCS. I had a part at one time in helping to build a sense of cooperation in the country between ASC committees, the SCD district members, SCS conservationists and our own professionals. I have watched the development of this conservation effort for about 40 years.

It has to be acknowledged without any qualms or qualifications that the SCS is probably the finest political structure in the Department of Agriculture. If you look back at USDA history, since the 1936 SCDA Act was passed, you will find that this agency has been able to grasp and take over activities from a number of other agencies from time to time throughout that whole period.

Now, I am not being solely critical. I think they have the finest technicians in the world in soil and water conservation. Many of the men are quite, quite committed to the principle of conservation and I admire them for it. But if the Congress is going to play its part in this game, I think you should stop sometime and take a look at what you put in the recent legislation. You put some 50 amendments or titles in that 1981 bill last year dealing with conservation, and you have granted this agency new authorities to establish enough different types of districts. You cannot hardly imagine a structure that is not authorized one way or another in legislation over the last 50 years. You describe one for me and I can take that legislation and the old laws and the new laws and design almost anything for you.

So I would suggest that it may be time to stop and examine carefully that proportion of the agency's personnel that are really out there working with farmers and ranchers on the land. How many are really offering to help them versus the number of people that are involved in preparing plans, maps, reports, proposals, holding meetings and coming forth with still more propositions that occupy the time of so many important people on paperwork.

If you want to do something about conservation, find out how many men are out there in bluejeans and boots working on the land. That is where the conservation problem is, not here in Washington.

Thank you.

Senator JEPSEN. Thank you, Mr. Frazier. I find myself in sympathy and agreement with what you have said.

Jim Miller, you may proceed.

STATEMENT OF JAMES MILLER, ASSISTANT LEGISLATIVE DIRECTOR, NATIONAL GRANGE

Mr. MILLER. Thank you, Mr. Chairman.

Let me start out by commending you for calling this hearing. I think it is an excellent opportunity for farm organizations to once again state their commitment to the concept of soil conservation and at the same time point out from our perspective what we see

and what we would recommend to be improvements in how this Nation is approaching the conservation effort.

Our organization has several long-standing items that we would see to be essential components to an effective conservation program. These are outlined in my statement and I would ask that it be printed in the record.[1]

Senator JEPSEN. It will be put in the record as if read, without objection. The Chair hears none, and it is so ordered.

Mr. MILLER. Thank you.

One of those commitments I think, Senator, that really has to be given most serious consideration is the need for a long range approach to conservation that is going to institute a high degree of stability in the program. I personally support and our organization has been supportive of the Resources Conservation Act because I think it is a periodic evaluation of our conservation effort and is absolutely necessary. It is necessary on a number of levels, but first off we have got to take a good look at what we are doing, how we are doing it and what we want to accomplish.

I agree completely with Mr. Sampson's suggestion that this conservation program needs an established goal and with that goal then ranchers and farmers can commit themselves and do their very best.

To allow them to do their very best, they are going to need a variety of conservation programs, with a good deal of flexibility. The cornerstone, of course, has been the cost-share program, a program which the Grange endorses and wants very much to see that included in any continuing conservation effort.

Most importantly perhaps I think is some assurance that there will be an on-going effective level of Federal support. Perhaps the farm groups and perhaps my group itself has not done an effective job in convincing the general American public that conservation of our soil and water resources is in the Nation's best interest. We say this among ourselves so much, but perhaps we are not saying it to the right people. We have got to get out and do that, because assurances of continuing Federal support in one form or another, cost share or any other variety of technique has got to be the cornerstone of the continuing conservation program.

Well, the rest of these points are outlined in my statement and I would urge that another hearing of this nature be called. I think the administration, the USDA has more that needs to be said and I think that they want to demonstrate their commitment. We are extremely disappointed with what we see coming out of the President's proposed budget. There are a number of aspects that we think are showing up in the proposed budget that are being justified by the Secretary's preferred program and I do not believe that the preferred program was drafted and was presented for that purpose.

We need to take an effective and a long-term look at what is contained in this next fiscal year's budget and look at what the States are going to be asked to do, what the local governments are going to be asked to do, and keep in mind that the States and local governments themselves have made a commitment to budget auster-

[1] See p. 61 for the prepared statement of Mr. Miller.

ity, and they cannot be asked to pick up all of the slack in so many areas.

I would think that one more point must be made and it may be a minor point but it is certainly one that our organization feels very strongly about, and that is that if the concept of matching grants is pursued, we want to make one thing perfectly clear and that is that we will not tolerate watching any portion of this matching grant, the Federal share of this matching grant go towards State administrative purposes.

The concept of matching grants is to draw that commitment out of the States and the local governments for effective on-the-ground conservation techniques and installation of those conservation measures and to syphon off any portion of Federal funds to go toward State administration of these programs or to use soft match in that regard is going to defeat the purpose of this Federal matching grants program.

Thank you very much.

Senator JEPSEN. That is very interesting. I do not think you two probably coordinated your statements necessarily, but your ending just kind of dovetailed right in, in lock step.

Mr. FRAZIER. We usually do not talk to each other. [Laughter.]

Senator JEPSEN. Put money in the field where the real conservation is being done is what I hear you folks saying.

Mary Kay Thatcher, welcome back to the Senate. Mary Kay was on the Senate staff, in fact mine for several years, and went on to bigger and better things. She is chief liaison with the Farm Bureau and at the national headquarters here.

Mary Kay, you may proceed and welcome.

STATEMENT OF MARY KAY THATCHER, ASSISTANT DIRECTOR, NATIONAL AFFAIRS DIVISION, AMERICAN FARM BUREAU FEDERATION

Ms. THATCHER. Thank you. The Farm Bureau appreciates you holding these oversight hearings on RCA and allowing us the opportunity to testify.

I am sure you and the Department are well aware of most of our comments and I have included in my statement the soil conservation policies that were adopted by the voting delegates to the annual meeting in San Diego.[1]

There are just a few concerns that I would like to highlight concerning the RCA program. First of all, we believe the block grant concept has merit but, of course, we have concern that it is being funded out of existing successful conservation programs and we feel very strongly that the proposal should be used to augment the current program, rather than replace it.

Second, we agree wholeheartedly that erosion control should be considered the highest priority under RCA, but we are concerned, looking at some of the budget figures, with USDA's sincerity in this respect. Less than 5 percent of the total soil conservation budget is now being used for cost-sharing erosion control on cropland with an excessive erosion problem. In looking at another

[1] See p. 64 for the prepared statement of Ms. Thatcher.

study, it indicates that 82 percent of the severely eroding lands in the United States are now only receiving 21 percent of the ACP cost share money. In summary, the problem is not more Federal money that is needed but just a better allocation and use of the present funds.

We are also concerned about the level that the Soil Conservation Service intends to use in funding program's such as the fish and wildlife program, energy conservation, organic waste, urban conservation, and recreation. If you look at the 1979 budget, the total on those programs were more than what was actually used for soil conservation measures and we feel that if this really is going to be their No. 1 priority, more funds ought to be allocated in that manner.

Third, the Farm Bureau questions the need for creating conservation coordinating committees. We feel that those duties are already being performed adequately by the Soil Conservation Service, the ASCS, the Extension Service and by creating these coordinating committees we are just creating another level of bureaucracy.

Fourth, the program calls for a cross-compliance project with producers receiving Farmers Home Administration loans and, as you well know, the Farm Bureau opposes cross-compliance in any form.

We also question whether, even if you were going to have a pilot project, the Farmers Home Administration borrower would be the best place to go if you consider Farmers Home a lender of last resort, then you would have to question whether someone who qualifies for that type of loan would also have the money to sink into conservation measures at that time.

Last, we question the amount of partnership which you can include in the cooperative agreements. The agreements now require a memo of understanding entered into by each Governor and the Secretary of Agriculture, but the stipulation has already been made that the agreements say the management and use of the land influence, among other things, environmental value and the national welfare. The agreements also stipulate that the local, State, and Federal Government must work together to minimize the adverse impact of soil erosion on public value.

We are very complimentary of the SCS on their idea to include tax incentives in their proposal. We hope that they are serious about this and that it is not just indicating that another study will be done. And while we are very complimentary also on the resource inventory that has been done on this, we would stress that we feel enough studies have been done and it is time to get on with the actual program. Thank you.

Senator JEPSEN. Thank you.

Now Mr. Ek, Carl Ek. You may proceed.

STATEMENT OF CARL EK, LEGISLATIVE ASSISTANT, NATIONAL FARMERS UNION

Mr. EK. Mr. Chairman, in the interest of time, I would like to somewhat abbreviate my already brief statement with the understanding that it be included in the record.[1]

[1] See p. 67 for the prepared statement of Mr. Ek.

Senator JEPSEN. Your statement will be included in the record as written and as if read and, without objection to that, the Chair hearing none, it is so ordered and you may proceed.

Mr. EK. Thank you, sir.

On behalf of the membership of the National Farmers Union, we would like to thank you for the opportunity to testify on the RCA program and also to applaud you for holding these hearings. We think this is a very important topic.

Last October, the Secretary circulated publications outlining alternative approaches which would address the problem raised in the report mandated by the RCA Act of 1977. A colleague of mine and of you, Mr. Paul Sacia, conferred with our membership and formulated a response in a letter which he sent to the Department and which I have included with my own statement. Today I shall highlight some of Mr. Sacia's comments and also discuss the budget which has been presented in the intervening 3 months.

The National Farmers Union is completely disappointed with the withdrawal of financial commitment to conservation which we believe this budget represents. The numbers put forth by the administration sharply contradict its expressions of concern over the problem. A glaring example of this we feel can be seen in the proposed reduction of the ASCS cost-sharing plans from approximately $220 million to a mere $56 million. We hold this to be egregiously in error and urge this subcommittee instead to increase support for these financial incentive programs.

During our annual convention here in Washington, D.C., last month, the delegates of the Farmers Union from across the land adopted a platform on conservation, part of which I have included in the record. I would only wish to point out from our policy statement that we recommend that the ACP program be funded at the original $500 million level as it was authorized in the original legislation, the Soil Conservation and Domestic Allotment Act of 1937, fully 45 years ago.

Today, I might add, we are talking of 10 percent of this amount of money. Now, private organizations such as the ones represented here today have joined with State and local authorities in developing technical and educational programs in the area of conservation. We are hopeful that the administration will not perceive these initiatives as being efforts to supplant Federal involvement in soil and water conservation. They should be viewed, rather, as attempts to supplement the work of the ASCS and SCS. This is an outstanding example of all levels of government cooperating together and it needs to be augmented, not taken as a signal that the Department should relinquish its responsibility in this area.

Neil Sampson pointed out in testimony before the subcommittee chaired by Congressman Jones last fall that "We don't need one conservation program in this country or 10 or 34, we need 2 million-plus conservation programs adapted to every farm and ranch in America." We heartily concur in this observation. We would cite it as evidence of the need for the type of tax incentive legislation which you, sir, have proposed. We are confident that the enactment of such inducements will draw many, many more producers into conservation practice systems suitable for each of their own unique farm operations.

Moreover, we feel that the technical assistance to farmers for planning and installing systems which is emphasized in the preferred program put forth by the Secretary would complement the tax-incentive approach. The need for this type of combined assistance is especially compelling today when high interest rates and low prices effective preclude most producers from using any but the least costly conservation techniques.

The stewards of the land, America's family farmers have always had a strong conservation ethic, but a long term investment in conservation can be ill-advised when agriculture is suffering from its third straight year of economic recession, as the President pointed out in his speech last week.

Finally, I think we should take note of the fact that although modern technology has enabled the farmer to become an extraordinarily productive member of society, it has also become a source of much of the erosion noted in the RCA proposal. Fertilizer, pesticides, irrigation, and the large heavy equipment used in modern farming today collectively contribute to the loss of valuable topsoil. But to be competitive in the marketplace, today's farmer must use every means available to him. The American consumer, whom we know pays less than 20 percent of his or her disposal income on food, is the ultimate beneficiary of this process. It follows, we feel, that the public should also share the financial responsibility of resource conservation.

Thank you.

Senator JEPSEN. Thank you, Mr. Ek.

If I may, in the interest of time, I would like to include Mr. Woolley in this panel framework. Of course, your testimony will be listed as separate. This will facilitate the questions and we will set a time shortly within the next 10 minutes to end this hearing.

So at this time I would ask Walter Woolley, vice chairman of the Private Lands and Water Committee of the National Cattlemen's Association, to proceed.

STATEMENT OF WALTER WOOLLEY, JR., VICE CHAIRMAN, PRIVATE LANDS AND WATER COMMITTEE, NATIONAL CATTLEMEN'S ASSOCIATION

Mr. WOOLLEY. Thank you, Mr. Chairman, and I would like to also thank Senator Boren for his very kind introduction this morning. I might mention the fact that Oklahoma is celebrating its diamond jubilee celebration this year, 75 years as a State, and last Saturday in the State capitol in Oklahoma City, a bronze bust of Senator Boren was dedicated in recognition of his term as Governor and I might add that he was a great Governor for conservation in Oklahoma. Our program there was advanced a great deal.

I will mention to you the highlights of my talk and we have three parts of it which I would like to include in my statement, and I will be making this statement on behalf of the National Cattlemen's Association.[1]

The National Cattlemen's Association believes that we have had very good success in the soil conservation program up to this time

[1] See p. 71 for the prepared statement of Mr. Woolley, with accompanying attachments.

and it has been done through partnership through the conservation districts and landowners and Federal SCS, and basically what we are saying in this report is that we see evidence that, since we are one of the countries of the world that has been very prosperous and the envy of the world in our ability to feed and cloth our people and other people in the rest of the world, it has not all been bad.

But we realize that we need to make some improvements on our program and we need to fund programs that will be moving conservation along and achieve the objectives as outlined, some of them in the RCA program.

We would also like to thank you and this committee. In our recommendations on the RCA program report, we ask that the oversight hearings be held and we are very happy that you are doing that.

I will read the summary of my statement and it pretty well says what I want to say: We believe that a voluntary, cooperative program, with cost-sharing provisions that carefully avoid any infringement of private property rights, would be the most successful in achieving our soil and water conservation goals. Such a program has been successful for the past 45 years, and we do not believe that any radical changes are needed. We are convinced that if we build upon the present structure, we will continue to be the best fed, clothed, and prosperous nation in the world.

I share with the first two panelists the opinion that we need to get technical assistance out on the farms, on the ground, and less technical problems in SCS offices in Washington.

Thank you, sir.

Senator JEPSEN. Thank you for your remarks. Just before a question or two, I would like to summarize some of the things that have come close to agreements. It is going to be very helpful, certainly to our committee and to the, I would expect, to the Department. Reflecting on some of the actions that they have taken to date and some they are going to contemplate taking, in that bottom line we are all reminded again that unless the farmer has profit the chances of anything much happening is not going to happen. It is a pretty consistent and unanimous consensus.

Working with present personnel, making the system work, they have got people with many years of experience, rather than additional boards and bureaus and committees; maybe we ought to take inventory and make the thing better and utilize the people better that we have with years of experience.

As you just in closing said and reiterated what has been said many times, many ways here, in fact without exception every one of you I heard say let us put the money where the action is, that point of 2 years of studies and planning over here in the files and USDA should get out and get some conservation done and direct the money to that extent, to that end.

Along that line, with regard to these committees, it would appear that there should be a strong emphasis on encouraging States to use existing soil and water conservation legislation and not start a whole set of new laws. Is there anyone that disagrees with that?

Mr. WOOLLEY. Mr. Chairman, in Oklahoma and I understand in a good number of other States, they are—we have and are working

on or have at this time a multiyear plan for conservation to achieve these goals that were set out by the Secretary of Agriculture this morning, that he mentioned, in other words, soil erosion, wind erosion, and minimum tillage and that sort of thing. The only problem is getting those things funded, as everybody understands.

Senator JEPSEN. Well, cattlemen are concerned about the rangeland. It is vital to the livestock industry and we know that the Secretary has estimated that 60 percent of the Nation's non-Federal rangeland erosion and other deterioration damaging the resource base, land being forced to produce maybe less than one-half of its potential because of the lack of conservation practices. Translated into 1 million pounds of beef, I have in my notes here, that potentially 600 to 800 million pounds of red meat are not being produced every year because the resource is not being managed. So in view of this, should not rangeland improvement be given a higher priority than the program being proposed? You emphasize that well, Senator Melcher, indicating that we have got Illinois and Iowa and the Midwest going here, but how about us folks out in the rangelands, do not forget that, and we will not.

The RCA program does not address what action is to be taken on improving irrigation efficiency and management improvements on rangeland. Do you have any specific actions that you feel should be taken in this area?

Mr. WOOLLEY. We feel like these problems with regard to irrigation and water, if I understand your question, should be left up to the States and that is our position on this, in other words, make water laws where they can. I happen to come from a State where we do not have a great deal of public land and so I am not real familiar with some of the problems they have in the Western part of the United States.

I do appreciate the statement you made in regard to rangelands and producing red meat. I heard a gentleman who was in this room this morning at our national convention in San Antonio just recently make this statement, that the SCS was not interested in doing range research or increasing funds for range research in this country because we already have a surplus of red meat and they saw no need of trying to increase range production.

I do not think I answered your question, but——

Senator JEPSEN. That is OK.

Mr. Frazier, the matching grants program initiative funded under the authority provided in the 1981 farm bill authorized a wide range of conservation purposes and objectives which are eligible for funding through matching grants. Now, I gathered—and maybe erroneously—that you felt we really went in with the kitchen sink and everything else with too many things. Is that accurate feedback?

Mr. FRAZIER. Yes. Without meaning to cast reflection on the intentions of those who sponsored it, I just believe that we have been talking and writing and planning and running committees and carrying on in this fine fashion for so long, surely there are enough authorities already in the law for Federal and State officials to cooperate. I think they have cooperated in developing these programs at the State levels now, I fear the matching grant thing will just be

another vehicle for more meetings, more committees, more wasted time, and a lot of paperwork.

If someone can show me how they are going to get out to the land with it and do something out there on the land, then I will be quite satisfied.

Senator JEPSEN. Jim, the targeting of technical assistance funds to geographic areas of national significance seems to ignore a long-standing concept and policy that soil and water conservation programs are based on the priorities of the local conservation districts. What rationale is there for targeting these funds at a national level with national priorities? Or is there any?

Mr. MILLER. Mr. Chairman, I think there is some rationale for a targeting program because without a doubt soil loss in raw terms occurs at higher rates in different parts of the country. But I am not here to imply, and I am certain that most everyone would agree with me, that an inch of soil that is lost in an area with very minimal soil resources in the first place is not a serious loss. It is a serious loss because, first off, it may have been preventable. Second off, it is a serious loss because it jeopardizes the regional viability of that agricultural economy in that area.

I think it is a well designed targeting program that would supplement the existing soil conservation program that we have become accustomed to over the last number of years, would be a very desirable one.

Senator JEPSEN. Ms. Thatcher, would you expand on your comment that the Farm Bureau questions the need for creating conservation coordinating committees? Would there be a need to expand the workload of the SCS, ASCS, and Extension personnel to handle additional responsibilities that Mr. Frazier was pointing out that we loaded the 1981 farm bill down? How are we going to handle that?

Ms. THATCHER. That is probably true. Each one of those committees will have to take on some more responsibility, but I think your ASCS people have already said to you that they have some extra time at the moment and they are going to have more if some of the farm programs require less time, and I do not think they would have any problem with taking on more responsibility, and I know the SCS has looked at shifting people around to aid in the new program to be developed. So I think even if they required a greater workload, it would be better than new conservation coordinating committees.

Senator JEPSEN. So in keeping with the general suggestion that we take inventory and work through the people we have, find a better way to do things, maybe a more efficient way, with the administrative people is what you generally recommend?

Ms. THATCHER. That's right.

Senator JEPSEN. Thank you.

Finally, Mr. Ek, the legislation that I introduced—which has not received total agreement from this panel—that would allow private landowners and operators to claim a 10-percent investment tax credit when they invest their own money in maintaining soil conservation practices, would it be realistic to increase the tax credit or do you think there should be any at all? Do you have a comment on that?

Mr. EK. Yes; we feel that 10 percent, since this is something in the incipient stages, would be a good place to begin. As was pointed out earlier this morning, we are presently at a time when there is a need for even greater revenue for the Federal budget, but balancing that against the budget which has been proposed for the Soil Conservation Service, SCS and other functions within the conservation area by the Department, we feel that this would allow the individual producer initiative to develop with the assistance of the specialists a program uniquely for his own operation. So, yes, sir, we would think that this is just about right on target.

Senator JEPSEN. I appreciate the comment Mr. Frazier made with regard to taxpayers and I appreciate his feelings. I share them. As I understood you to say with regard to the tax credit, you felt that for a working person on the soil, the family that was actually doing it, that is one thing; but for the absentee owner, it is another, and of course what you say is the other side of the coin and we opted for saying that soil conservation is so important that absentee ownership, those that do not work closely with the soil, everything we can possibly do to keep them from just essentially using it year after year, believing that since they are absentee owners, they do not have the same feeling about the soil that my family does in Iowa, that I had and my father and my grandfather had. So that was the reason we did it. But I can see your point, that it is sort of a two-edged sword and I want to assure and be on record as chairman of this subcommittee that I agree with you 100 percent that anything it encourages your large indifferent corporate entities or foreign investors and so on to assume ownership and control of our land in this country, and I am not going to in any way endorse or perpetuate it with what I can do with it here. So I would be interested in any comments that you may have now or in the future, anything that is being done that encourages that type of thing in the legislation and types of things we are proposing that you feel might actually take place. If you do, let us know.

Mr. FRAZIER. Thank you, sir. I will be happy to do it. When we have more time, I will.

Senator JEPSEN. Thank you all for coming. As I indicated earlier, we might well have another hearing on this. I felt a little bit wanting for our report from the Department of Agriculture. That is not a criticism of them, but I think that we have got to set some priorities and try to get some day when we do not conflict with the President and go into the conservation more detail. I emphasize for the third time today that hopefully we can get on our desk a report of the total soil conservation effort from all of the various agencies so we can all sit down and from the same starting blocks and address these concerns as well as recommendations that we have. They are long overdue and we will keep on until we get it and when we get it we will send you a copy.

Thank you very much.

[Whereupon, at 12:45 p.m., the subcommittee adjourned, subject to call of the Chair.]

APPENDIX

Statement of Hon. Roger W. Jepsen, a U.S. Senator From Iowa

Our hearing today is on the administration's recommendations for soil and water conservation programs made under the requirements of the Resources Conservation Act.

We are pleased to have with us today the Secretary of Agriculture, John R. Block, and others. The distinguished chairman of the House Subcommittee on Conservation, Credit, and Rural Development—Ed Jones—was invited but he too is chairing a hearing today. He sent along his promise of "full support and cooperation in dealing with this serious problem."

The Resources Conservation Act of 1977 requires the Secretary of Agriculture to develop a national soil and water conservation program to guide the Department's future conservation activities. In November of 1981, the Secretary of Agriculture presented the Department's prepared program before the Agriculture Committees of the Senate and the House of Representatives.

From that time . . . until now . . . the Department—and I might add, Members of Congress—has received thousands of comments on the programs from farmers and other members of the public.

It is the purpose of this hearing today to examine where the Department is in its efforts to be responsive to these public comments. . . . and to hear from several of our conservation and farm organizations as to what their members are saying about the preferred program.

It is our hope that this hearing will be useful to both the Department and to the Congress as public comments continue to be reviewed . . . and the Secretary prepares his final legislative recommendations under the Resources Conservation Act.

Because of the great public interest in these proposals for the direction of the Department's soil and water conservation programs, there were many individuals and organizations who wanted to testify here today. Unfortunately, we were unable to accommodate them at this time. We have extended our offer to accept written testimony from those who wished to submit such for the record. We also anticipate further opportunity for testimony on the proposed program in hearings which are planned after legislation is submitted to Congress.

This subcommittee . . . the full committee . . . the Congress . . . and the public are rightly concerned about the direction of the Department's soil and water conservation programs.

Soil erosion must be reversed if food production is to continue at the levels to feed a hungry nation and a hungry world.

The Secretary . . . in testimony before the Senate Agriculture Committee last October 28 . . . warned that a number of serious resource problems—and I quote—"could threaten our ability to produce the agricultural products we will need in the future."

At that time, the Secretary noted that soil erosion is reducing productivity on 141 million acres of cropland—one out of every three acres we farm. Nationally, erosion is taking between five and one-half billion and six billion tons of soil annually . . . enough to cover Iowa's 56,000 square miles with a layer of earth one inch deep.

It is important that we have faith in the Department's conservation policy. But concerns have been raised in recent days that would appear to shake that faith. Are we heading in the direction of a stronger conservation policy . . . or are we replacing conservation realities with political sensitivities? I would hope the Secretary today responds to some of those concerns. I hope he will be able to clear up the confusion on the direction of his conservation policy . . . and programs.

I do not deny that the Secretary has repeatedly stated that soil conservation is one of his highest priorities. Unfortunately, the Federal budget priorities would suggest otherwise.

I hope the Secretary will be able to clear up to my satisfaction the justification for a budget request that is 10 percent below the current levels . . . one that shows decreases in several major soil conservation service programs.

I am concerned over a budget that terminates the resource conservation and development program . . . despite congressional action last year giving it permanent status.

I wonder about the effect on emasculating the agricultural conservation program . . . the ACP cost-sharing program designed to encourage farmers to practice soil conservation measures.

Soil erosion efforts are not an isolated issue . . . to be handed over to the States and local governments with the admonition "take care of it." As long as soil erosion is an issue affecting everyone in the world who has to put food on the table, the Federal Government must be involved.

I—and others—am concerned over the appointment of a new Chief for the Soil Conservation Service. It would seem that this is an inopportune time to go outside the professional ranks when we are in the first stages of redirecting this Nation's entire conservation thrust.

I recognize the Secretary has had the best of intentions . . . but whether he knows it or not . . . he has opened a Pandora's box.

I am deeply concerned over the prospect of an every four-year shuffle in that top position . . . the loss of continuity. I do not like that position being subject to prevailing political winds. I would not want the SCS's professional excellence and credibility to be undermined.

I am also concerned about the SCS's State and local structures could be . . . will be . . . become more political in nature.

I hope the Secretary will be able to provide assurances that this is not the way the SCS is going. I hope his responses will provide some reassurances to this Iowa farmer who sent me a mailgram late last week. Let me quote from it:

"We oppose the soil conservation service being directed by a political appointee. (It) should be kept on a career professional level. We on the grassroots level are elected by local people and serve the political function. Don't duplicate our effort and input. Keep SCS strictly technically oriented."

This concern is deep. The question now being asked is whether Forest Service is the next agency to go the way of the SCS.

These are not idle concerns. And I would hope the Secretary will respond to them . . . to clear up the confusion . . . the uncertainties.

STATEMENT OF HON. EDWARD ZORINSKY, A U.S. SENATOR FROM NEBRASKA

Federal soil and water conservation programs are an investment in the Nation's most productive resource—our farm and ranch land. Unfortunately, the administration has sent us a bankrupt budget proposal for soil and water conservation programs.

I am particularly concerned about the budget proposal as it relates to the Great Plains conservation program. The budget would reduce program funding by about 30 percent or $6 million.

According to the RCA study, the Great Plains conservation program has reduced soil erosion by 221 million tons per year. Also, a 1980 Soil Conservation Service report states, and I quote, "Each Federal dollar invested in the Great Plains Conservation program has resulted in nearly $4 of increased agricultural income," end of quote.

In addition to being cost-effective, the program is consistent with the administration objective of targeting resources.

The program successfully serves 518 counties in ten Great Plains States, including about 60 counties in western Nebraska that are particularly affected by wind erosion. I would like to point out that at one time this productive area of the country was known as the Great American Desert.

Today, farmers are facing the prospect of the lowest real farm income since the Great Depression. In addition, our farm and ranch land is under great stress because low farm prices discourage farmers from implementing expensive long-term conservation programs. Yet, good conservation practices must be used if we are to maintain our productive capacity.

For those reasons, I urge the administration to reconsider the soil and water conservation budget proposals and make a commitment to address the serious problems identified in the RCA report.

Statement of Hon. Bob Dole, a U.S. Senator From Kansas

This is an important time for our country in terms of our agriculture and our resource conservation. It's also an important time to discuss our future policies. In Congress this is a time of fiscal restraint to reduce our budget deficit and many programs could be cut.

Reducing budgets immediately highlights the need to prioritize. The administration's "preferred program" calls for targeting funds to the areas of greatest need. A priority program makes good sense because it should help us get the greatest use of our dollars. Some would say it's a different approach than we've taken in the past. We are committing ourselves to accomplishing certain objectives and goals and fighting a set order of problems.

A concern everyone in this room has heard is what the priorities are based on. The USDA has said they will have other criteria besides simply soil erosion loss per acre. This is important especially in Kansas where rainfall and soil conditions are quite different as you move east to west across the State. A small soil loss in our eastern areas unfortunately may not draw much attention, but in the western counties and especially on marginal land, a small loss of soil can be a big loss economically.

We also have the problem of priority alternatives. In eastern Kansas soil erosion is a dominate problem. In western Kansas an early stage problem is the depletion of the Ogallala Aquifer. In the future when water levels decline further, it will be an extremely critical problem.

We certainly have problems to deal with now and 10 years from now and beyond. We're dealing with an ancient problem as old as agriculture itself. It's not a dead end situation though. Many of our options offer us very workable solutions. We can use no till and conservation tillage, use crop rotations, improve range management, improve the efficiency or irrigation equipment, develop windbreaks, and grow crops on prime land that takes less energy than on marginal land. So we have alternatives above and beyond Government funding. Alternatives largely depend upon farmers and private enterprise.

In the past we have been able to hide the erosion problem by using technological inputs like fertilizer, fuel, and pesticides to stimulate yields. In view of our present situation, farmers, private enterprise, and Government will now need to do more to meet the needs of conservation and production.

If we don't act now we'll have to pay a higher price later. Our resources are becoming more scarce and more costly. We're caught between times of fiscal restraint for our own good and serious financial needs for conservation. It's imperative farmers make plans for the long-run versus the short-run.

From the Government's standpoint the key to a priority system of allocating funds to critical need areas will be whether or not it is truly "fair" or based on accurate standards. I would suggest we have a set priority of objectives whether or not we reduce funding for conservation programs.

From the farmers standpoint the key is economic as well as ethical. The determining factor is this: We can't buy back our soil. And we can't stop the wind and the rain. Not yet, anyway. But we can build terraces and grassed waterways, and use conservation tillage and other good practices to keep our soil where we need it.

Statement of Hon. John Melcher, a U.S. Senator From Montana

I must confess that I am getting conflicting signals from the administration with respect to its policies on soil and water conservation.

On the one hand, Secretary Block has given these programs more verbal support than any Secretary of Agriculture I can remember.

On the other hand, the appraisal and the program called for under the Resources Conservation Act have not been finalized, which means they are more than two years late. They were due in 1980.

And of the program options offered to the Congress in the drafts that have been sent to Congress, not one of them sets a goal of conserving more soil than is being lost.

My understanding of the law is that we at least try to have a goal for a national non-degradation policy, even if budget constraints make it impossible in some years to meet such a goal.

That's the whole point of the Resources Conservation Act process. It lets us know what we are buying with appropriated conservation dollars. It also is supposed to let us know what benefits we are foregoing if we don't make these investments. In

order for the Congress to make spending decisions, we have to know what is the best that the Department of Agriculture can accomplish.

Furthermore, the proposed budget for soil and water conservation for fiscal 1983 is a disgrace. It has no relationship whatsoever to national plans to reduce soil erosion and improve water quality.

The budget proposes to merge the ACP program, the forestry incentives program, the water bank program and the emergency conservation measures program into one program. Then the budget proposes to cut spending for all of these efforts from $291 million to $56 million.

The budget has a modest increase for conservation operation in the Soil Conservation Service, but there is a cut of $67 million for small watershed construction; a cut of $6.6 million in the Great Plains Conservation program; and a cut of $16.1 in the resource and conservation and development program. The budget also proposes to phase out the RC&D program, even though the Congress just a few months ago passed authorizing legislation for the program.

Last week the Secretary announced that he was replacing Norman Berg at SCS with a non-professional political appointee. That action in itself isn't so bad. Mr. Block is the boss, and he ought to have anyone he wants as chief of the SCS.

But if Norm Berg had to go, why couldn't he be replaced with a professional conservationist?

There are rumors circulating in this town that Mr. Meyers has been brought in to put SCS out of business. The rumors say that the agency will be shut down eventually, and the money saved will be parceled out to the States in the form of block grants.

If that happens, we can kiss forty-five years of trying to get a handle on soil erosion good-bye.

I'll give you all a brief example of what will happen to these programs if the States take them over.

In Mr. Meyers' State of Missouri, a certain amount of the sales tax is dedicated to a special fund that has been used to buy such things as park land. Yet when a proposal was made to use some of this money for soil conservation, it was Mr. Meyers, the new Chief of the Soil Conservation Service, who voted against the proposal, in his capacity as a member of the Missouri State Conservation Commission.

Mr. Chairman, it seems understandable to me that under the circumstances, it is not surprising that rumors about the demise of Federal Conservation efforts are making their way around Washington.

I will be fascinated to hear how we can improve our conservation efforts by doing much less.

STATEMENT BY JOHN R. BLOCK, SECRETARY OF AGRICULTURE,
BEFORE THE SUBCOMMITTEE ON SOIL AND WATER CONSERVATION,
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
UNITED STATES SENATE
Washington, D.C.
March 30, 1982

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to report to this Subcommittee on the present status of the proposed soil and water conservation program of the U.S. Department of Agriculture (USDA) and to discuss the Administration's soil and water conservation budget for fiscal year 1983. As you will recall, I appeared before the full Committee on October 28, 1981, to make the first public announcement of our proposed program called for by the Soil and Water Resources Conservation Act of 1977 (RCA).

I welcome this opportunity today because I know that you, Mr. Chairman, and this entire Subcommittee share with me a deep concern for conserving the soil and water resources of our Nation. Soil and water are basic to our economy. They are a vital part of our national security. In directing the Department of Agriculture, I have designated resource conservation as one of the top priorities of the Department. And I know that this Subcommittee believes deeply, as I do, that we need to address the serious soil and water problems facing our country before it is too late. The conservation title of the Farm Bill last year--Title XV--is ample testimony of this Subcommittee's concern.

My commitment to conservation goes hand in hand with my overriding concern as Secretary of Agriculture--to ensure that this Nation has a strong, healthy, and prosperous agriculture. This is essential to the progress we will make in soil and water conservation.

Farmers and ranchers are more likely to employ good conservation practices if the farm economy is healthy. Thus, conservation can clearly benefit from the successes of other policies of the Department that emphasize market-oriented agriculture. . . opening new export markets. . . . and agricultural research--all of which will contribute to improvement in the farm economy.

The RCA Preferred Program

Against this backdrop, I would like to turn to the RCA preferred program that we unveiled here last October. We have now had the benefit of a 2 1/2-month period of public comment. More than 80,000 responses have been received, including some 400 letters from Governors, conservation groups, and farm organizations. Immediately before us is the task of developing a final program that will be sent to Congress by the President, in accordance with the Act. Because we have not yet finished the final plan, this hearing will be a valuable opportunity for us to receive the views of the Subcommittee and the other witnesses here today. We commend you, Mr. Chairman, for calling this hearing.

The RCA preferred program we released for public review and comment reflects the resource needs that we see emerging in the country as well as the current economic situation. We didn't want to write a proposal that could never be approved at a time of budget restraints. We wanted and when the economy improves. I believe we have such a proposal. Here are its highlights:

The preferred program, as announced on October 29 last year, has three main features that set it apart from the traditional approach to Federal soil and water conservation activities.

First, it establishes for the first time a list of priorities to guide the Department's conservation efforts. The top three priorities, in

order, are controlling soil erosion, controlling upstream flooding, and conserving water.

Second, it calls for targeting an increased share of USDA resources--people and dollars--to specific areas where the needs for conservation action are greatest. We would earmark 5 percent of our technical and financial assistance funds a year for the next 5 years, until we had 25 percent of the funds targeted.

Third, it reaches out to local and State governments to make them full participants in developing and implementing conservation programs. We will support their efforts through matching grants to States.

These are the general features of the preferred program. There are many more specific features, for example:

-- Soil and water conservation programs reflecting local conditions, needs, and priorities would be developed and implemented at the local level in each State. A local conservation coordinating board would be part of this process.

-- Local programs and priorities would help make up the State conservation plan. A State agency would administer its program in cooperation with local and Federal agencies. A State-level coordinating board would be part of this process.

-- The USDA would provide matching grants to help States carry out their programs, under agreements between the Governors and the Secretary of Agriculture. These grants would supplement local and State funds spent on conservation.

-- A USDA National Conservation Board would be appointed by the Secretary from recommendations provided by State Governors. This Board would

advise the Secretary on needs and priorities for the USDA conservation program, review requests from States for matching grants, and recommend actions.

-- In conservation programs at all levels, actions would be targeted on the most critical problems while the conservation work already going on throughout the country is maintained. Cost-efficient conservation activities, such as conservation tillage to reduce excessive erosion on cropland, would be emphasized everywhere.

-- Long-term agreements would be used more widely everywhere to assure that conservation practices established are then maintained.

-- Pilot projects and special studies would test and evaluate new ideas. We would look for better, cheaper conservation technology and better incentive systems to encourage farmers and ranchers to practice conservation.

-- Agricultural research and the Extension program would be targeted on major resource problems and problem areas.

-- Farmers Home Administration loans for farm ownership or soil and water conservation would hinge on the borrower's having a conservation plan in effect.

-- We would analyze our other USDA programs and minimize features that could work against good conservation.

-- We would study and test tax incentives for conservation.

-- Finally, we would work within the Department to better coordinate our own scattered conservation programs.

This, then, was the program that went out for comment and which drew more than 80,000 responses. We have heard from nearly all the Governors and their State agriculture and conservation officials. We have heard from farm producers, conservation and farm organizations, and business groups, as well as from the general public. We have completed tabulation of these responses and will shortly have a final tally on each issue. Then we will take a hard look at how we might adjust the program in light of these comments. However, we have noted certain trends in these comments that I would like to review, starting with the question of setting priorities.

Setting Priorities

Setting priorities in soil and water conservation means that some problems in some sections of the country--massive erosion, for example--will get more attention than problems in other sections of the country. Naturally, this is controversial.

Many individuals and organizations, particularly in the Western States, have commented that water conservation did not get enough emphasis.

From the Far West, we have had comments that we did not give enough attention to rangeland conservation.

In New England and the Northeast, where so many acres of good farmland fall to development for other uses each year, many people have commented that we should have dealt more specifically with farmland retention.

From the Southeast, we have heard that drainage rather than erosion is the main concern there. We have also heard that we were emphasizing erosion reduction on deeper soils, where the tonnage losses are so great, and neglecting erosion on shallow soils, where only a little erosion can hurt a lot.

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All these questions about priorities in the RCA are legitimate. The weather and soil conditions and crops vary from region to region. Conservation problems aren't the same everywhere. That's why we have a national county-by-county delivery system in the Department. The Soil Conservation Service provides technical assistance in every county. The Agricultural Stabilization and Conservation Service (ASCS) helps in every county with cost-sharing programs. The Extension Service has its county agents. We do not want to abandon this county-by-county effort precisely because it is so responsive. We want to build on it by giving the States and local districts an even greater role in conservation. But in our Federal effort, we also have to spend our scarce money wisely. We have to look at the country as a whole and decide where we are going by setting priorities. When funds and other resources are scarce, we have to have a pecking order.

Farmland retention is a somewhat different issue. The issues related to farmland retention are at the heart of what we mean by conservation of our natural resources. Yet local and State laws are involved. The private marketplace for land development is involved. The RCA process could not settle these complicated legal and political questions overnight, and we did not try. The Department decided that it would be better to address farmland retention separately from RCA.

The Department does advocate retaining America's agricultural land base. And we will work to keep Federal actions from interfering with local and State endeavors, as provided in the Farmland Protection Policy Act, which is a portion of last year's Farm Bill.

We have set our top priorities--controlling soil erosion, controlling upstream flooding, and conserving water--because of what we learned from the RCA appraisal. It underscores these facts:

-- There is a potential for tremendous pressure on America's soil and water resources now and in the future. This pressure is caused by substantial increases in demand for agricultural products, both for domestic and export markets.

-- Soil erosion in the Corn Belt, the Palouse region of the Northwest, and elsewhere is reducing productivity on 141 million acres of cropland, 1 of every 3 acres we farm. Over the next 50 years, this productivity loss could equal the output from 25 to 62 million acres of cropland. Stated another way, this means that we would give up forever the production of 50 to 75 million metric tons of grain every year. That's half the grain we exported last year.

-- Projected steadily increasing upstream flood damages to cropland, pasture, and urban lands could reach $2.3 billion by the year 2000. These damages affect rural people and communities that can least afford the damage because it directly affects their property and livelihood.

-- And, finally, a considerable amount of ground water being withdrawn for irrigation is not renewable. In some areas, such as the Texas High Plains, water is being withdrawn much faster than it can be it occurs, is depleting the Nation's water supply at the rate of 21 billion gallons per day. In some areas, ground-water levels are falling 7 to 10 feet per year.

These are serious problems of great consequence for this entire Nation. The regions where they occur are not the only regions affected; they affect farmer, rancher, businessman, and consumer alike. These problems need attention if we are to keep agriculture alive and protect and maintain a resource base that can provide food and fiber for future generations. This is why they head our list of priorities. And so we turn to the "targeting" concept in our program.

Targeting

There is concern in the RCA comments that if we target more of our efforts to the critical erosion areas and the other critical areas, we must reduce the work we are now doing in all the other areas. Many approve of targeting in principle but want us to move into targeting only if we have "new" money to do it. While I can understand their concerns, I believe that prudent management dictates that limited resources--budgets are always less than we would like--should be targeted to the most critical problems.

We now know where the most serious problems are. It is essential that we get out and attack these localized problems before the damage to the land is irreversible. This will require some shifts of funds and technical personnel to these problem areas. However, we do not intend to ignore the other areas of the Nation. We propose, after all, a maximum of 25 percent set-aside of funds for targeting, for the time being. The remaining 75 percent would be for our base program throughout the country to deal with other problems and to maintain conservation systems in place.

Coordinating Boards

Now, I turn to the coordinating boards, one of the most controversial parts of the program as we study the public comments. The preferred program proposes that existing conservation agencies and groups, along with others, meet together as coordinating boards at the local and State levels. These boards would bring together the many interests in conservation to agree on needs and priorities, and to develop programs for action. This concept has drawn a lot of comment from soil and water conservation districts, because the districts are already responsible under State law for soil and water conservation activities. We heard also from Agricultural Stabilization and Conservation (ASC) State and county committees, who already perform a coordination role in their ACP Development Groups. It is not our intention to establish a new organizational layer at the

local or State level. We intend to continue to cooperate with local conservation districts, State agencies, and ASC committees. We will be seeking the cooperation of these groups to develop a process that ensures there is coordination and cooperation--in identifying needs, establishing priorities, and developing workable programs at the local and State levels. We will listen to what people are saying on this issue and are prepared to cooperate with them to insure a workable process.

Matching Grants

Many of the comments from the public favor matching grants to State and local governments, but like targeting, argued that the grants should be initiated from "new" money. Once again, this would be preferable, but it is just not feasible right now. We feel that matching grants to States are a good investment of seed-money to bring more States along in the conservation field. In the future, we will need more action and more funding at the State and local levels. So far, the States and localities on their own are spending around $200 million a year on soil and water conservation. That's about one-fifth of all the government spending for conservation, and the Department of Agriculture spends the other four-fifths. We know the States can and want to do more, and that is why we want to match their efforts with these grants.

Incidentally, the 1983 fiscal year budget for the Soil Conservation Service, which is now before Congress, includes funding of $10 million in matching grants for conservation districts under the authority Congress provided in the 1981 Farm Bill. These funds would be provided to districts through State soil conservation agencies. We want the RCA program, when it is presented to Congress later this year, to build on this base.

Conclusion - RCA

Now, just a closing word about RCA. The RCA program we have proposed is

an early-action effort to deal with the highest priority problems. It is just the first step in addressing the longer term needs and in many cases more costly solutions to resource conservation problems that threaten our future agricultural productivity. RCA is more than a report or a plan. It has stimulated a process that has given us valuable data on soil and water problems and the tools to analyze where we are going.

Under RCA, we will continue the search for better solutions to long-term problems. Our experience convinces us that as long as we have agriculture, we will need soil and water conservation. We also recognize that needs will change as technology provides new solutions and the pressures on our resources increase.

Effect of 1983 Budget Proposals on Conservation Programs

Mr. Chairman, in addition to RCA, you invited us to comment on how the proposed budget for fiscal year 1983 will affect progress in soil and water conservation. I believe we can agree that there is renewed interest and concern about the conditions and trends of the Nation's resources.

But we must recognize that there is a greater and more compelling concern over the state of our economy, budget deficits, and the costs of government. This situation calls for responsible action that begins with making hard choices and establishing priorities. We have done that.

I am satisfied with the 1983 fiscal year budget proposal for funding ongoing conservation programs. First, these programs have fared well when viewed in the context of the total budget proposed for the Department; and, second, the budget is a first step toward what we are convinced will be a more effective program. We can improve the progress being made in controlling excess erosion. In both SCS and ASCS, we will emphasize cost-effective practices, and we will be more selective in the types of practices we cost share. By these methods and by careful targeting, we can do more with the dollars we have. So, there are alternatives to more funding to

get the conservation job done. We are going to utilize those alternatives by targeting technical assistance, increasing our level of cooperation with local and State governments and expanding their roles, and by concentrating on cost-efficient solutions that farmers can afford, like conservation tillage. This is one example of how we can help farmers to use a method they can afford, so they will be less dependent on cost-share payments from the ACP to install more costly measures.

As for targeting, beginning in fiscal year 1983, the efforts of SCS and ASCS will be combined in target areas in 199 counties in 15 States, in a joint effort to fight erosion and conserve water.

Some reductions are proposed in the 1983 fiscal year budget. These are primarily in financial assistance programs such as watershed projects and other construction-oriented programs. They are reductions made necessary by our fight against inflation. They do not threaten our basic program delivery system. Action can be taken quickly when conditions permit.

We are attacking the problems that are most important. . . and in ways that are as effective as increased funding. Our attack on soil and water conservation complements our efforts to make farming and ranching more profitable.

We will accomplish our goals with increased cooperation and teamwork that stems from a new awareness of the need for conservation and with new technology for solving problems.

Mr. Chairman, we thank you for the opportunity to appear before your Subcommittee today.

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STATEMENT
of

Neil Sampson, Executive Vice President, NACD
to

The Subcommittee on Soil and Water Conservation
Senate Agriculture Committee
on

New Directions for the Soil and Water Conservation Program
March 30, 1981

Mr. Chairman. Members of the Subcommittee:

It is a distinct privilege to come before you today to discuss the new policy directions that may be needed in the national soil and water conservation program. It is a subject upon which our organization and its members have done a great deal of thinking, and where I have done a great deal of research and writing.

One of the major benefits of the Resources Conservation Act (RCA) process has been to help improve the information base and analysis on the agricultural land situation in the United States. Although there is still some contention over the interpretation of the statistics developed, there is little doubt that much is happening to the land that gives us little comfort.

Many forces are at work depleting America's rich farmland base, and there is rising public recognition of the dangers posed by a continual shrinking of productive capability in the face of accelerating demands. Soil erosion is one of those destructive forces, joining farmland conversion, reduced water supplies, and diminishing topsoil quality in a four-column attack on national strength.

While totally inter-related, each of these problems presents somewhat different challenges. Public policy solutions must attempt to address each, in ways that do not aggravate one of the other associated ailments. That can be done, and, in many instances, conservation programs can simultaneously aid in slowing all four destructive trends. That ultimate goal will only be realized, however, when policymakers develop a solid understanding of the nature of the various problems involved, and invent a sufficiently flexible and fine-grained public policy response.

To start the search for a policy, it is helpful to review the nature of soil erosion as a process, and go from there to some understanding of the ways in which farmers respond to the complex set of economic and other forces that affect their operations. We know a great deal about soil erosion today, much more than was known in the

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1930's when the United States started its first soil conservation efforts. Understanding the nature of the physical forces involved, however, will not tell us what we need to know about the cultural and economic forces which need to be addressed in any effective solution.

Some observers of ssoil conservation policy ask why, when this Nation has spent billions of dollars over the past near-50 years on soil conservation programs, the problem still persists. The answer is simple: the nature of the problem has changed in dramatic, and fairly recent, ways. Those changes have not been in the physical nature of soil erosion, but in the economic and cultural climate facing us. Before public programs can effectively help land users with their conservation problems, those programs must be relevant to the full set of issues involved. In today's modern agriculture, that demands approaches that are far different from those of the past.

Developing a conservation system for a farm requires several ingredients for success. It takes a committed farmer, who has decided to learn what it takes to carry out a soil conservation program on the land and then do it. It takes a farmer who sees the land often enough to recognize when it is showing stress, and has enough time to make the management changes needed in a timely way.

It takes farm advisors, professional agriculturalists or soil conservationists who understand how to design sustainable management systems fitted to specific soil and farm needs, and have time to work with the farmer to thoroughly diagnose soil ailments, help identify feasible ways to handle them, and teach the necessary skills.

That sounds simple, but in recent years structural and economic changes in U.S. agriculture have made it almost impossible for either farmers or technicians to do what is needed. Farms are bigger and fewer, using less labor and more capital, with farmers so busy managing their finances that many have little time left for the land.

The major federal agency assisting farmers directly with conservation work -- the SCS -- was, in the meantime, undergoing rapid shrinkage in its field work force. In Fiscal Year 1967, there were over 15,000 SCS technicians in field offices. Today, there are fewer than 9000. Conservation districts all over America call the lack of technical assistance one of their most critical problems today.

Financial pressures, always serious, have grown critical. Costs for soil and water conservation seldom return an offsetting profit in the first year -- and may not return one in five years, or ten. In a study of 12 Pennsylvania dairy farms, for example, researchers found that the implementation of erosion and sediment control plans would in fact reduce net income in 10 of the cases. Those losses would come, not only from the initial cost of installing conservation practices, but also from the revenues lost by shifting erosive soils from row crops to grass for erosion control.

When interest rates bounce around between 12 and 20 percent, farmers are forced to limit investments to those that will have relatively short-term paybacks. They must avoid long-term investments with high initial costs and slow paybacks, such as those for soil conservation or resource development.

Even without high interest rates, farmers face the prospect of constantly escalating production costs. Between 1959 and 1977, the prices paid by farmers increased every year except one, when there was no change. In 9 of those 18 years, the increase was 5 percent or more; in two, the increase was over 15 percent.

On the other side of the economic ledger, there is no accompanying rise in income to help farmers pay those added costs. During the same 18 years, farm prices dropped 5 times, once by 6 percent and once by 4 percent. The USDA index of prices rose by 5 percent or more in five other years, and from 1972 to 1973 the price index jumped by over 43 percent.

Farmers must be very cautious about the costs they incur and the investments they make. Too often, unfortunately, the kinds of costs that can be avoided are those of applying soil and water conservation practices; the "optional" investments are those needed to build the soil's strength. In other words, farmers may know how to conserve soil, recognize they should, and still not do it due to overriding financial pressures.

Fewer farmers now plan for a farming future, and people who feel there is little future on the land for them or their families become speculators, not stewards, who make management and investment decisions based on a phase-out plan. These attitudes may be among the most important social factors confronting the soil conservationist.

Another frustration was revealed in a Nebraska study that showed that farmers simply do not think soil erosion is serious enough to worry over. Farmers shown a set of situations where soil losses in the 10-15 tons/acre/year range were occuring were not alarmed. Such losses had, in the past, not caused declining yields, they noted, and would not interfere with normal field work or farming operations. No cost -- no problem, was their rationale.

Soil conservationists, shown the same examples, reacted differently. Soil losses far exceeding the rate of topsoil formation meant a steady loss of productivity that would drive future costs higher, future production down, and eventually make crop production on the land uneconomic if not impossible. That was an evil to be avoided, in their view. As a result, the soil conservationists would be led to identify needs that the farmers would not see, then propose solutions (with costs) that the farmers would think both unnecessary and impractical. Since it is the farmers, not the conservationists, who must actually treat the land, this poses a serious challenge.

Past farm policies that have pushed farmers to plow "fence row to fence row" have added to the social and economic pressures against soil conservation. The government provides significant financial support for added production through loans, price supports, or crop insurance programs, but these are not in any way related to the use of the land. The farmer who mis-uses the land can qualify for government assistance as readily as the one who does not.

The keystone for future farm policy is that somehow, through a combination of market and public policy forces, farmers must be assured more stability in their life style and economic future. If that is not done, the growing sense of insecurity and impermanence on the farm will destroy any chance for development of a new land ethic that results in better care and stewardship of the land.

To farmers, security is most deeply involved with the land. Many things can go wrong, but if the land is safe and the farmer has full control over it, he will feel secure. Farmers must be convinced that government land policies are designed to increase the individual's control over his own land rather than take it away. When offered an economic bonus for practicing soil conservation, farmers will weigh the benefits and costs and take the bonus if they deem it fair. To obtain that bonus, they will sign a contract that limits what they can do with the land, as they have gladly done in programs like the Great Plains Conservation Program and the Water Bank.

The key to those programs were that they were voluntary--the farmer was not forced to enter the program unless he wanted to do so. Once he entered, following the rules was not a problem. The number of defaulted contracts under the Great Plains Program, for instance, have been very few. Therefore, any future government cost-share payments should be tied to a long-term contract that assures the installation and maintenance of a total conservation system.

Targeting the effects of federal programs toward serious erosion problems is a challenge that has been studied in USDA intensively over recent years. There is little doubt that land inventory data is now adequate and accurate enough to be used as the basis for locating erosion-prone soils. What is more difficult, however, is to convince the landowners who farm the eroding soils to change their ways and turn to conservation management. This may take a more significant set of economic incentives -- probably tied to market prices rather than public cost-sharing -- and backed by erosion prevention standards of some type.

Where entire farms, or regions, are so erosion- or drought-prone that cropping is not really a wise idea, the options become much more difficult. In southeastern Colorado, for example, such large portions of some counties are so marginal for cropping that any change to proper land use would drastically affect the local economy. But if those soils keep blowing away, change is only a matter of time. My view is that the public should step in with an adjustment program, while the topsoils (and the communities that depend on them) are still worth saving. If the soils turn to desert, the battle will be lost.

From 1935 to 1946, a federal Land Utilization Program bought up over 11 million acres of worn-out cropland, rehabilitated the land with grass, trees and other conservation treatment, and converted it into recreation areas, parks, forests or grazing lands. The program was carried out by five federal agencies, with the Soil Conservation Service responsible for some 7 million acres. Those lands, in a 1953 reorganization, were turned over to the Forest Service for continued management. Today, most of them are managed by the Forest Service as the National Grasslands.

It is doubtful that such a program is possible today, at least not without major changes. People no longer support major transfers of private land into public ownership. One-third of the nation is public land already, and with local government so dependent on property tax revenues, there is little support for removing more land from the local tax rolls. In addition, public support for resettlement of marginal farm families at public expense would not seem easy to obtain.

There still seems to be a way, however, for using government as an intermediate land-holder to rehabilitate eroded and wasted soils. One way would be for the federal government to fund state and local programs that would purchase and assemble large tracts of land that was marginal or unsuited for cropland by virtue of soil conditions.

The land would be seeded to grass or trees, held until the vegetation was established, then re-sold at auction to private owners. At the time of its re-sale, the state or local government could restrict the deed to the property so that the buyer would not have the right to use the land for cultivated cropland, develop it for urban use, or convert it out of range or forest use. The purchaser, fully aware that the property had a restricted deed, could bid the price accordingly and establish expectations for the land on the basis of what was allowable. Such a Land Restoration Program would be similar to the farmland conservancy idea now gaining currency in the move to protect prime farmlands, and could, it would appear, simultaneously address erosion and conversion problems.

A closely related reform--one that would no doubt be controversial--would be for USDA to henceforth not recognize as cropland any new lands that do not meet the criteria for Capability Classes I through IV unless an approved soil and water conservation system were installed and maintained on the land. Under such a scheme, programs such as crop insurance and disaster relief would not be available on lands that do not qualify as Class IV or better, unless the farmer can demonstrate the existence of an effective conservation system. This would keep federal programs from helping underwrite the cost and risk of farming inappropriate lands.

National policy leaders must develop a method of addressing all these issues at once, and devise a totally new farm policy framework that addresses the economic plight of the farmer, but extracts a degree of responsible land stewardship in return for economic stability.

The options facing us are far too risky for a do-nothing strategy. We are losing farmland productivity at startling rates--rates that could bring us to the limits of our supply of good land sometime before 2000. At the same time, farm debt loads are soaring, bankruptcies are on the rise, and the spectre of a complete economic collapse in the farm sector is being raised in many quarters.

If high energy costs and interest rates continue, if research fails to find a miraculous breakthrough that causes yields to jump dramatically, or if farmland is needed to produce energy as well as food crops, this nation faces a historic reversal in its agricultural situation.

This turnabout is being hastened by national policies designed to sell as much as possible abroad, at prices lower than the farmer's cost of production. Today's farmers lose money providing the raw materials that bring profits to export and transportation industries, and positive national trade balances that add significantly to the strength of the American economy. But that cannot continue.

We are selling more than we can produce within the limits of sound land management, at prices below our cost of production. This is creating a treadmill where the more we grow, the lower we drive prices, and the more land we damage. The more the land and its productivity is damaged, the more it costs to produce, so we are forced to try to produce still more product, at still lower prices, to try and pay the rising costs of production. It is a losing game, where we must run faster each year to stay even.

The answer to this dilemma does not lie solely in new or different conservation programs, but in developing a coordinated market-conservation system that provides price levels adequate for not only repaying the costs of production, but also the re-investments in the land needed for continued productivity. The only level of government that can accomplish this market connection, despite all the current talk about the "new Federalism," is the federal government.

The states, however, must carry out the second half of the combined program effort. Farmers who profit from federal price supporting efforts should not do so at the expense of the land. Therefore, every farmer benefitting from federal programs should comply with state and local standards for appropriate land utilization and soil conservation. There is no sense considering federal standards relating to the use and management of land -- this nation is too big and complex. Our political system won't allow it, and that is all to the better. It would be unworkable. But state and local standards are possible. Several states, most notably Iowa and Illinois, have such programs in place today.

We must be realistic, however, and admit that there is no current political support for a national policy tying markets to conservation. Many farm organizations have grappled with this question, and most still have some reluctance on the issue. My own organization, NACD, has not yet devised a policy proposal on this matter.

This reflects, perhaps, the general feeling of the people of the Nation today. Americans have not seen the kinds of shortages in the food stores that they saw in the gas lines of the early 1970's. Until that object lesson is driven home, the support for soil conservation will remain largely rhetoric. But the day when food becomes a crucial issue may be sooner than many would like to contemplate.

It can come from either a national or world-wide climate swing, resulting in two or three years of below-par crops, or it can come as the result of economic recession or depression. Given the events and trends of 1981, the latter may be the more likely. In either event, however, the vaunted strength of American agriculture could show its Archilles heel.

If the mega-dollars needed to plant a crop and buy modern pesticides and fertilizers were reduced sharply, we could be one crop from disaster. Such an economic shock would force us to turn to the inherent productivity of the land for the new wealth to bail us out of debt, and we would find it far less capable than ever before. Each year we allow excessive soil damage to continue worsens that plight.

We are faced, then, with the need to begin, and the most critical decision is to set the general direction we wish to travel. If we are content with the current trends--increasing total production at the expense of topsoil, farmland, water, and, ultimately, farmers--we need do nothing. Those forces are well established, and moving at great speed. Some observers say this is no cause for concern, but I know of no logic to indicate that we can build national strength through resource exhaustion, the course upon which we are currently embarked.

Conservation programs can no longer ignore the realities of the marketplace. Farmers must have incentives to produce crops and protect resources simultaneously. Let me outline what we feel should be considered:

1. A national goal that says that it is national policy to encourage a sustainable agriculture -- one that does not waste its land and water for short-term economic advantage;

2. Commodity programs that encourage conservation, reward voluntary participation by farmers with appropriate economic incentives, and penalize or disqualify those who refuse to take appropriate care of their land;

3. A way to slow the conversion of marginal lands to cropland, as well as a way to assist the conversion of marginal cropland back to grass or trees before it has become completely ruined by erosion or desertification;

4. A dedicated funding source that diverts a portion of the revenues derived from the extraction of non-renewable resources into the programs and investments needed to convert the Nation to a renewable resource-based economy within the next century;

5. Tax incentives that encourage land conservation to replace the current set of incentives that, all too often, encourage waste;

6. A method of targeting conservation programs to those areas that could most effectively use added help, without stripping program capability from other areas which need and effectively use it;

7. Full dedication to implementation of the capabilities created in the 1981 Farm Bill, including the targeting that can be done through the Special Areas and Grants programs; and,

8. A strong commitment to added research and education programs aimed at improving the scientific basis for soil conservation as part of a new system of agriculture that is far more sustainable and less resource-wasteful than much of today's high-petroleum technology.

Finally, we need to address the issue of coordination. Soil and water conservation is a job that is done, on the land, by private land users themselves. The public programs that help them must work together, not at cross-purposes. Many factors are involved. One is the integration of the efforts of all levels of government. Local, state and federal efforts are involved, and all must have a constructive role as partners.

Several federal agencies are involved, and they must each retain an appropriate role, and work together.

The RCA Preferred Program proposed a new framework of coordinating committees to assure that this job is done. Our conservation districts, along with many others, think that to be unnecessary. We are committed to working together, at all levels of government, but we think the framework for that cooperation has been well established.

There are important organizational issues to be considered, however. We have suggested some tie between commodity programs and conservation programs. We think that can best be accomplished when the operating responsibility for those two objectives are in <u>different</u> agencies, not in the same one.

This may sound strange at first, but we think it is important. Managing commodity programs and promoting voluntary soil and water conservation efforts are entirely different kinds of objectives, and can often be at cross-purposes. If placed in one agency, the political urgency of the moment will swing the pendulum too far in one direction or the other. When markets are strong and commodity control efforts not needed, the agency will be a conservation agency. When markets are soft and commodity programs in full swing, conservation goals will be swept aside.

We think SCS should be the soil conservation agency of USDA and ASCS should be the commodity programs agency. When ASCS needs a conservation certification in order to be assured that a farmer is eligible for any kind of program participation or payment, they can ask SCS for a certification. If that eligibility is tied to state and local standards, they can ask the conservation district. NACD has outlined such a program approach several times, calling it a "Green Ticket" approach. This kind of cooperative effort is in full force today in the ACP program, and can be easily extended, with each agency playing an appropriate role for which they are well suited.

In summary, let me say that the nation's conservation districts are fully committed to working with USDA in devising improved soil and water conservation programs. We look forward to the guidance and wisdom of the members of this Committee as that effort proceeds.

STATEMENT OF CHARLES L. FRAZIER, DIRECTOR, WASHINGTON OFFICE, NATIONAL FARMERS ORGANIZATION

Mr. Chairman and members of the Committee, we appreciate the opportunity to express some producer viewpoints on plans proposed under the Soil and Water Resources Conservation Act of 1977. The membership of the National Farmers Organization is composed entirely of producing farmers and ranchers. Most of us have a lifelong interest in conserving our soil and water resources. We have committed our own funds to practice conservation farming for many years.

In this brief appearance I will not make an effort to comment on all aspects of the proposed RCA but will limit my observations to a few views of real importance to farmers.

Any proposal to expand the rate of application of conservation measures on the land must take into account the farm economy in which we are not operating. Our commodity prices reflect an income of less than 60% of parity for the third year in a row. Many of our best individual owner-operators are confronted with a shortfall in cash flow necessary to meet their obligations and continue in farming.

A number of authorities have reached agreement that something like one fourth to one third of all farm operators are now in a negative position on assets and unable to borrow for 1982 farming operations. They are still being squeezed by declining land values, continuing high interest rates and mounting stockpiles of grain for which there is no ready market. It would appear that export markets on which we have been forced to depend for much of our income are leveling off or declining.

Under these circumstances we are unalterably opposed to the imposition of any form of cross compliance that would force farm operators to accept the dictation of soil conservation plans and practices to establish eligibility for participation in other USDA programs.

In view of our continuing loss of independent owner-operators and the threat of deepening depression on the farms, we believe it would be a mistake to extend additional tax write-off benefits to absentee owners. Many of those investors are now taking advantage of the tax code to compete with farm families in the market.

Many of our modern day producers are well educated and capable of planning their own conservation activities. There are literally thousands of farms and ranches that are better managed from a conservation standpoint today than was the case only a few years ago. These producers, particularly some of the younger couples in farming, deserve realistic help from their government through the FmHA and ASCS credit, price support and conservation programs. In fact, they must be offered the benefits of these programs by sympathetic and practical administrators if they are to survive. We believe it in the national interest to move in that direction.

Imposing on this group of producers another layer of bureaucratic planning through a combination of federal, state and local politics will simply force more of them to turn away from the government at a time when their economic survival is important to our whole national economy. It would seem incongruous, at best, for the Congress and an Administration that continually talks of

free markets and less regulation, to propose that our national soil and water conservation program be used as a means of dictating farmers' management decisions. It would be preferable to emphasize the availability of SCS technicians to advise and aid those operating producers who need and ask for technical help on the land.

We will be glad to work with you as these developments proceed in 1982.

STATEMENT OF JAMES MILLER, ASSISTANT LEGISLATIVE DIRECTOR, NATIONAL GRANGE

Dear Mr. Chairman:

The National Grange, the oldest active farm and rural organization in America, has long been an active and strong voice in support of sound soil conservation programs. The concepts of stewardship and husbandry are the foundations of Grange philosophy. We are pleased to present our views on the USDA "Preferred Program" for soil and water conservation. Chairman Jepsen, you are to be commended for your initiative in calling this hearing. Your commitment to the protection of America's soil resources is a credit to this Congress.

We have examined the Secretary of Agriculture's Preferred Program, and our determination is that much of it has merit. Certainly, targeting funds to high priority conservation needs is a concept with sound reasoning behind it. Likewise, matching grants for conservation activities is an effective means of encouraging the states to supplement available federal funds. Pilot projects, presumably to test either a particular technique or adelivery mechanism, can always be valuable in furthering an overall effort. Tax incentives for construction of conservation practices offer posibilities for expansion of the program and would provide some farmers and ranchers with an alternative to cost-sharing.

All these items are excellent components for an umbrella soil and water conservation program. But none of these approaches will, by themselves, adequately address the problems presented by today's farming and ranch operations.

NECESSARY COMPONENTS FOR CONSERVATION PROGRAM

Over the years, the National Grange has taken America's conservation programs seriously and has developed several criteria against which program alternatives should be measured.

1. Long range program stability - A periodic evaluation of our nation's conservation efforts is a healthy and necessary exercise. The Grange supported the study conducted under the Soil and Water Resources Conservation Act. But one essential element to an effective overall effort is the assurance that conservation will continue to be supported and encouraged by appropriate levels of government. Without an ongoing commitment to crop and range land resource conservation, farmers and ranchers will be unwilling and unable to plan for installation of long range conservation measures.

2. Variety and flexibility of programs - Accompanying a long-range national commitment to conservation should be a reasonable variety of choices in how farmers and ranchers may participate. The Agricultural Conservation Program has been the cornerstone of our efforts. Cost sharing these conservation techniques has widespread support among producers, and it should be continued. Tax incentives have their advantages among larger producers and could be most effec-

96-195 O—82——5

tive when profitability returns to agriculture. However, they would be of little value to small farmers who have limited net income but have serious soil erosion problems. State matching grants, too, should be explored. A well designed overall conservation program could incorporate all these components and many others. This variety, along with assurances of local flexibility and application, could contribute greatly to resource conservation.

3. Assurance of federal support - It is in the country's best interest to maintain the productivity of our soils and assure conservation of water. This national interest is exhibited by agriculture's contribution to our balance of trade. Agriculture diversifies America's economy and provides top quality food and fiber. America's soil will be the basis of national wealth for generations to come. Because of this public benefit federal tax dollars are appropriately the foundation of our current conservation activities, and this should remain so. Farmers, ranchers and land owners should continue to share in the costs as should state governments. But to rely solely on producer or state funds would be folly. The federal treasury should share the burden of installation costs as well as in program administration.

4. Effective base level funding - Regardless of the merit in targeting conservation efforts to heavily eroding areas, an effective base level program should be maintained in all states. This country should never tolerate erosion in any amount if a cost-effective conservation technique would prevent it. All states must have access to participation in the concerted federal effort.

5. Inclusion of federal lands - In areas where the federal government owns or controls vast land areaa, no soil and water conservation program can be meaningful if federal lands are not included. A certain level of conservation should be required when federal land is leased for cropping purposes. Rangeland leases already contain minimal requirements which, for the most part, are adequate.

6. Ongoing conservation research - In order to keep pace with changing cropping and grazing practices, research in conservation techniques is necessary. The principal research contribution, of late, has been no-till or minimum-till cropping. This innovation promises significant soil savings, yet more breakthroughs will be necessary to meet the challenges which lie ahead.

These six points to effective conservation programs all hinge on one important aspect. Without long term prospects for profitability in agriculture, no conservation program, however well designed, will be successful. A farmer's ledger sheets will always dictate the extent to which conservation practices on an individual farm will be pursued.

ANALYSIS OF THE SECRETARY'S PREFERRED PROGRAM AND BUDGET PROPOSALS

Two years ago, the National Grange commented to USDA on our views of the Draft RCA Parts I, II, and Program Report. We brought to USDA's attention the following: "Experience has shown that frequently new federal programs are created and existing programs suffer..... [F]unds will be required to maintain existing conservation practices once unacceptable conditions have been brought under control." We find that our suspicions were correct. The National Grange cannot support the Preferred Program if base level conservation maintenance funds are to be channeled to target areas. This appears to be the case as we interpret the President's proposed Fiscal Year 1983 budget for the Agriculture Stabilization and Conservation Servie (ASCS). Funds proposed for the Agriculture Conservation Program (ACP) have been drastically reduced, and moreover, Forestry Incentives and Water Bank programs are expected to be carried out by the states with no specific federal funds set aside. No funds have been proposed for the Rural Clean Water Program or the Emergency Conservation Program.

Reductions in the Soil Conservation Service Programs for Watershed Operations, Flood Prevention Operations, Emergency Flood Repair, Great Plains Conservation Program, and the Resource Conservation and Development Program are inadequate to meet current needs.

We have heard the Administration's contention that by reducing federal outlays for these programs, the state and local governments will assume a greater role in their funding. The Grange questions the wisdom and the practicality of this approach. Rather than building a stronger federal, state, and local conservation relationship, we believe that the overall effort will be significantly reduced. This reduction in effort will not be the result of any decrease in the states' desire to fund conservation. Rather it will be the result of their inability to pick up all the slack that will result from the federal reductions. The President's proposed Fiscal Year 1983 budget asks the state and local governments to establish too many such "partnerships" in too many other areas. Experience has shown conservation funding will be postponed, reduced, or even eliminated. We must not forget that all levels of government are committed to spending reductions, and new or increased conservation programs by states and local governments will be very difficult to adopt.

The National Grange believes that the initial steps which have been taken to implement the Secretary's Preferred Program, also reflected in the proposed Fiscal Year 1983 budget, have undermined the long term stability of our nation's overall conservation effort. We endorse the program's efforts in targeting conservation activities, but we feared, other programs will not be funded adequately to assure base level activity in all states. The preferred program will give the illusion of increased effort but will, in reality, ignore serious erosion problems in many parts of the country.

It is absurd to assume that farmers and ranchers will increase their contributions to conservation in the near term. Farm income is at depression-era levels, and producers will be farming more acres and grazing their herds more intensely in order to simply survive. They will not take pleasure in exploiting their soil and pasture lands, but the agricultural economy is too depressed and prospects for profits are too bleak for farmes and ranchers to pick up any slack in the near future. A more concerted overall effort is neccessary.

SUMMARY

If the Administration's proposed budget for conservation truly reflected the intentions of the Secretary's Preferred Program, the Grange could enthusiastically work to resolve what few differences would remain. Better results will cost more money. Agricultural producers are willing to do their share, and they have proven it. State and local governments should increase their efforts, and the Grange has long-standing policies in that regard. But the federal government must end the "conservation shell game" which we see occurring. The stakes -- America's vast soil and water resources -- are simply too high to gamble away.

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION
TO THE SOIL AND WATER CONSERVATION SUBCOMMITTEE
OF THE SENATE AGRICULTURE, NUTRITION AND FORESTRY COMMITTEE
WITH REGARD TO THE RESOURCE CONSERVATION PROGRAM

Presented by
Mary Kay Thatcher, Assistant Director
National Affairs Division

March 30, 1982

The American Farm Bureau Federation is the largest general farm organization in the United States, representing more than three million member families in approximately 2,800 counties in 48 states and Puerto Rico. It is a voluntary, nongovernmental organization representing farmers and ranchers who grow virtually every agricultural commodity produced on a commercial basis in this country and who operate over 75 percent of the nation's commercial farms and ranches.

Farm Bureau is pleased that the Subcommittee is conducting oversight hearings on the Resource Conservation Act. We urge further modification of the RCA program so it will better meet the needs of farmers and ranchers nationwide.

The following policy regarding conservation was adopted by the voting delegates of the member state Farm Bureaus at the 1982 annual meeting:

> "Agricultural land is a valuable natural resource. Its conservation should receive the highest priority. The primary responsibility for wise land management rests with those who own or operate the land. Local units of government assisted by state and federal programs can aid in the discharge of this responsibility. We believe that the public has a vested interest in assistance to and support of the conservation effort.
>
> "We support the use of Soil Conservation Service technical staff for assistance in planning programs having permanent value. Employees of the Soil Conservation Service, assigned to serve technical needs of farmers and ranchers, should perform services formally approved and authorized by the directors of the Soil Conservation District to which they are assigned. These technical services should not be denied any qualified farmer or rancher in an effort to force his participation in other government programs.
>
> "We support the retention of conservation payment programs operated by locally-elected Agricultural Stabilization and Conservation Service (ASCS) farmer county and community committeemen.

"The Extension Service should continue its present role of education in the field of conservation.

"We recommend a federal program of cost-sharing through income tax credits for soil and water conservation practices and structures which contribute to enduring conservation and environmental enhancement by reducing the discharge of soil particles. We support a loan program administered by ASCS patterned after the facility loan program (low interest, easily obtained, etc.) to finance soil erosion control structures. However, it should not replace direct cost sharing grants.

"The responsibility to set priorities and implement conservation measures should be directed to the state soil and water conservation agency and local soil and water conservation districts.

"Limitations on cost-sharing under the Agricultural Conservation Program (ACP) should be removed for conservation measures required by plans under Section 208 of the Clean Water Act. Greenhouse operations should be included in the ACP provisions.

"Technical assistance and federal and state funds appropriated for soil conservation should be directed to areas with serious erosion problems.

"We favor repeal of the Resource and Conservation Act of 1977.

Although Farm Bureau opposes any more studies being done to evaluate the condition of the nation's production base, the RCA has provided useful information for conservation policy discussions. It is our hope that we can now get on with the work that needs to be done and dispense with any more studies.

Farm Bureau commends USDA for evaluating tax incentives as an inducement to increased use of conservation systems. We are concerned, however, that evaluation simply means another study of tax incentives will be initiated.

Farm Bureau expressed concern to Secretary Block about the following items in the RCA program:

(1) We believe the block grant concept has merit but should not be funded from existing successful conservation programs. The block grant proposal should be used to augment current programs rather than replace them.

(2) Farm Bureau agrees wholeheartedly that erosion control should be considered as the highest priority under RCA. We are concerned, however, that the USDA budget proposals do not reflect such a priority selection. Less than five percent of the total soil conservation budget is now being used to cost/share erosion control on cropland with an excessive erosion problem. Additionally, a recent study indicated that 82 percent of the severely eroding lands in the United States are presently receiving only 21 percent of the ACP cost-sharing money. The problem is not more federal money but rather a better allocation and use of present program funds."

We are also concerned about what level the Soil Conservation Service intends to fund the fish and wildlife program, energy conservation and production, organic waste management, urban conservation and recreation, and water quality. In 1979, combined federal outlays for those programs exceeded the funds used for soil resource activities.

(3) Farm Bureau questions the need for creating conservation coordinating committees. The responsibilities of the coordinating committees are already being handled adequately by S.C.S., A.S.C.S. and Extension personnel. There is no need to create another level of bureaucracy.

(4) The program calls for cross-compliance pilot projects with producers receiving Farmers Home Administration assistance. Farm Bureau opposes cross-compliance. We also question whether a Farmers Home Administration borrower would have financial capability to install conservation measures.

(5) Farm Bureau questions the amount of partnership included in the "Cooperative Agreements". The agreements require a memorandum of understanding entered into by the Governor of each participating state and the Secretary of Agriculture. But the decision has already been made that the agreements must stipulate that the management and use of the land influence, among other things, environmental values and the national welfare. The agreements also stipulate that the local, state and federal government must work together to minimize the adverse impacts of soil erosion on public value.

Mr. Chairman, we thank you for holding this hearing and allowing Farm Bureau to express its views on the proposed program.

STATEMENT OF CARL W. EK, LEGISLATIVE ASSISTANT,
NATIONAL FARMERS UNION

Mr. Chairman, on behalf of the membership of the National Farmers Union, I would like to extend thanks for your invitation to join with other organizations in commenting on the proposed Resource Conservation Act programs offered by the Department of Agriculture.

Last October, Secretary John Block circulated a publication outlining alternative approaches which would address the problems raised in the 1981 program report mandated by the Soil and Water Resource Conservation Act of 1977. My colleague, Mr. Paul Sacia, discussed the issues with our members, and formulated our response in a letter, a copy of which I have provided with this statement.

I would like to highlight certain points in Mr. Sacia's remarks, and raise some additional questions which have arisen as a result of the Administration's requested budget for conservation practices for Fiscal Year 1983.

It is appropriate that we should begin with an examination of that budget, as the figures it contains best reflect where the real priorities of the Department lie.

The National Farmers Union is deeply disappointed with the withdrawal of financial commitment to conservation which this budget displays. The numbers put forth by the Administration sharply contradict its expressions of concern over the problem.

The most glaring example of this can be seen in the proposed reduction of the Agricultural Stabilization and Conservation Service's cost-sharing funds from $220 million to $56 million. We hold this to be egregiously in error, and urge this subcommittee instead to increase support for these financial incentive programs.

Meeting in Washington for the Farmers Union annual convention last month, elected delegates from across the United States voted to adopt the following policy recommendations:

> The Great Plains Conservation Program, Agricultural Conservation Program (ACP), Rural Clean Water Program, Water Bank, and other soil and water programs have proven their value in achieving land-use adjustment and the conservation of land and water. Such environmental programs should be strengthened and expanded and include ACP cost-sharing for both replanted and new shelter belts, and noxious weed control.
>
> Annual soil loss in America is now 25 percent greater than during the 1930s despite billions of dollars spent in conservation aid programs. We propose that all conservation aid programs be better coordinated at all levels.
>
> We urge that ACP be funded at the $500 million level as originally authorized by the Soil Conservation and Domestic Allotment Act of 1937, and we strongly urge that the conservation cost-sharing funds be through the farmer-elected committee system of ASCS.

Private organizations, such as the ones represented in this room today, have joined with state and local authorities in developing tech-

nical and education programs in the area of conservation. We are hopeful that the Administration will not perceive these initiatives as being efforts to supplant federal involvement in soil and water conservation. They should be viewed, rather, as attempts to supplement the work of ASCS and the Soil Conservation Service (SCS). This outstanding example of federal, state, and local cooperation needs to be augmented, not taken as a signal that the USDA should begin to relinquish its responsibilities.

National Association of Conservation Districts Executive Vice President Neil Sampson pointed out in testimony before Congress last fall that "We don't need 1 conservation program in this country, or 10, or 34, . . . we need 2-plus million conservation programs . . . adapted to every farm and ranch in America." We heartily concur in this observation, and cite it as evidence of the need for the type of tax incentive legislation proposed by Chairman Jepsen. We are confident that the enactment of such inducements would draw many, many more producers into conservation practices suitable to each unique operation. Moreover, we feel the technical assistance to farmers for planning and installing conservation systems which is emphasized in the "preferred" program would compliment the tax incentive approach. The need for this type of combined assistance is especially compelling today, when high interest rates and low prices effectively preclude most producers from using any but the least costly conservation management techniques. As stewards of the land, America's family farmers have always had a strong conservation ethic, but a long-term investment in conservation can seem ill-advised when agriculture is suffering from "its third straight year of economic recession" as President Reagan publically conceded in a speech last week.

Finally, I think we should take note of the fact that, although modern technology has enabled the farmer to become extraordinarily productive, it has also become the source of much of the erosion noted in the RCA appraisal. Fertilizer, pesticides, irrigation, and large, heavy equipment have collectively contributed to the loss of valuable topsoil. Yet, to be competitive in the marketplace, today's farmer must use every means available. The American consumer, who pays less than 20% of his or her disposable income on food, is the ultimate beneficiary of this process; it follows, therefore, that the public should also share in the financial responsibility of resource renewal.

COMMENTS SUBMITTED BY THE
NATIONAL FARMERS UNION

TO THE

U. S. DEPARTMENT OF AGRICULTURE

IN RESPONSE TO THE REVISED
DRAFT RCA PROGRAM REPORT AND EIS

JANUARY 15, 1982

Recognizing that it was Congress' intent in enacting the "Soil and Water Resources Conservation Act of 1977" that soil conservation needs to be identified and appraised in order to establish long term programs - five years at a time - for furthering the conservation and enhancement of soil and water resources, it was our hope that this would precipitate the long term budget commitments that are so necessary. Obviously the financial commit-

ment is lagging far behind the laudable spirit of the Act.

The National Farmers Union firmly believes that soil and water conservation programs have proven highly effective for pollution abatement and soil conservation but are currently in critical need of support. We are disheartened by the continued funding of ACP at $190 million rather than the $500 million level originally authorized by the Soil Conservation and Domestic Allotment Act of 1937. An overall SCS budget decrease of $27.3 million from the 1981 level clearly underscores our concerns about the implementation of the RCA.

At the outset, we must emphasize that while we will proceed to comment on the "preferred" RCA program, the fact of the matter is that soil and water degradation has become a monumental problem. Annual soil loss in this country is 25 percent greater than during the 1930's, a time in our history often cited for its devastating soil erosion problems. Therefore, it is totally unrealistic to pursue a reshuffling of non-fiscal approaches to the problem with the hope that it will magically be resolved.

The renewed effort that we espouse will of necessity have to incorporate a strong financial commitment in several areas:

- Because clean water benefits the entire population we request that there be federal financing to meet the clean water and air standards of the Environmental Protection Agency (EPA), extended to farmers from funds appropriated by Congress and that such funds be administered through the farmer-elected county ASCS committees.

- We urge the continued improvement and acceleration of the small watershed programs under Public Law 566.

- The Great Plains Conservation Program, ACP, Rural Clean Water Program, Water Bank, and other soil and water programs have proven their value in achieving land use adjustments and the conservation of land and water. Therefore, rather than advocating the steady withdrawal from support of such conservation programs, we believe these programs should be strengthened and expanded to include such endeavors as ACP cost-sharing for both replanted and new shelter belts.

A casual comment is warranted regarding the USDA's response leaflet (OMB #0578-0020). It's loaded! It does not take a discriminating eye to ascertain that the leaflet assures favorable comments about the Secretary's "preferred" program, and blatantly downplays the other two alternatives (as weak as they may be). We encourage more respectful solicitation of public opinion in the future.

Addressing ourselves to several specific items of the Secretary's "preferred" program:

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1. We support the use of tax incentives as an inducement for increasing conservation practices and thus encourage the evaluation of various incentive mechanisms.

2. We welcome the USDA emphasizing SCS technical assistance to farmers for the planning and installation of conservation systems.

3. We are highly supportive of the testing of new conservation methods through pilot projects.

4. We are unalterably opposed to providing federal matching block-grants to states through reductions of federal conservation program funds. The last policy that should be pursued is that of cutting federal funding for existing conservation programs.

5. We oppose the establishment of a Local Conservation Coordinating Board, consisting of representatives of the conservation district, county ASC committee, Extension advisory committee and other interested parties, because it adds unneeded bureacracy at the local level, considering that locally-elected conservation district boards are already charged with coordinating conservation activities in their district.

6. We oppose the establishment of a State Conservation Coordinating Board appointed by the governor, that identifies state problem areas, sets priorities and develops the conservation program. Many functions now carried out by elected members of state soil and water conservation boards would be superceded. Additionally, the new board would consist of political appointees rather than elected officials.

7. Farmers Union also opposes the basing of cooperative actions on an agreement between the respective state governor and the Secretary of Agriculture. This procedure would only serve to circumvent the control of the conservation programs now in the hands of local people.

8. We strongly oppose targeting more USDA funds and personnel to areas where erosion and other conditions threaten the productive capacity of soil and water resources unless further funding is appropriated above that needed to meet conservation objectives and priorities identified by local conservation districts.

The National Farmers Union encourages innovative efforts in dealing with our conservation problems, but we sorrowfully view the innovations and "changed perspectives" embodied in the RCA Program Report and EIS as a rationalization for federal withdrawal from the soil and water conservation front. The report indicates that we should move away from the "cafeteria" or "first come, first serve" approach of traditional USDA conservation programs. The point and analogy are only well taken, however, if there are a significant number of those in the "cafeteria line" that are not in serious need of a nourishing meal.

STATEMENT OF WALTER WOOLLEY, JR., VICE-CHAIRMAN, PRIVATE LANDS & WATER COMMITTEE, NATIONAL CATTLEMEN'S ASSOCIATION

MR. CHAIRMAN:

My name is Walter Woolley, Jr. I am a rancher from Ada, Oklahoma and serve as vice-chairman of the Private Lands and Water Committee of the National Cattlemen's Association. This statement is presented on behalf of the National Cattlemen's Association.

The cornerstone of our great national conservation success has been the voluntary partnership between private landowners, locally-governed conservation districts, and the federal Soil Conservation Service (SCS). This has been our program since erosion control and soil conservation became national policy in 1935, and the flexibility inherent in these relationships has helped to increase our agricultural production while maintaining and improving our natural resource base.

Our nation's voluntary, flexible soil conservation program recognizes that free enterprise is the strength of our economic system. The benefits of free enterprise speak for themselves. We are the best-fed, best-clothed nation in the world today. Truly, our prosperity is the envy of the world. This is not to say we should rest on our laurels.

We must retain the renewable resource strength of our soil, plants, animals, and water to maintain our economic productivity. Our nation must be willing to re-invest in this natural resource factory; if it is to maintain its economic productivity.

Accordingly, the conservation of our renewable natural resources is paramount in our quest to remain a strong and free nation. The voluntary nature of our conservation program should be retained as an essential ingredient of our free enterprise economic system. SCS technical assistance made available through the nation's 3,000 locally-governed conservation districts should be increased. Long-term financial assistance made available as a public investment to maintain America's natural resource productivity should be patterned after the model of the Great Plains Conservation Program.

Conservation of our natural resources is a never-ending task. Erosion continues to take place—both soil erosion and erosion of our technical assistance programs designed to combat soil erosion. Our conservation program needs revitalization. America's agriculture is anchored in thousands of small family business operations across this great land, and continues to serve as an impetus for economic productivity. The system we should continue to follow is based on private stewardship and control of resources arising from thousands of individual decisions in a free enterprise system responsive to the inexorable law of supply and demand. This partnership of concerned producer and qualified technician working together on the ground in mutual respect and on a voluntary basis is the only one capable of addressing the dynamic ecosystem and economic system which constitutes every farm and ranch.

Mr. Chairman, I submit for the record a summary of the history of the RCA process and the results of the process to date, and ask that this be made part of my statement.

I also submit for the record a copy of the National Cattlemen's Association's comments on the Revised Draft RCA Program Report and Environmental Impact Statement which were sent to the Secretary of Agriculture last year.

Just briefly, I would like to summarize the recommendations we made in that report. Incidentally, one of our recommendations was that Congress should hold oversight hearings on the RCA process so obviously we are most pleased that this committee is doing so.

We recommended that the objective of a RCA program should be to assist landowners in applying and maintaining soil and water conser-

vation systems that assure sustained productivity on all nonfederal cropland, rangeland, forestland, and pastureland. The highest priority in such a program should be to provide private landowners and operators with increased direct technical assistance from the Soil Conservation Service, working through soil and water conservation districts. One way to achieve such increased "on-the-ground" technical assistance is to reduce the headquarters' staff of SCS and assign more personnel to the field, and to devote less attention to excessive and unnecessary inventory and other paperwork.

We also recommended that more recognition and emphasis be given to the necessity and importance of sustained food and fiber production to meet domestic and foreign needs. Addtional funds above current program levels should be directed to state soil and water conservation agencies that are authorized to carry out programs and objectives consistent with state conservation plans.

NCA further endorsed the proposal that federal tax incentives should be provided to farmers and ranchers to encourage increased conservation efforts.

We also suggested that improvement was needed in the data bases used in the RCA appraisal. (For example, the Universal Soil Loss Equation and the Wind Erosion Formual do not accurately measure the extent of erosion since they have not been adequately tested on rangeland or woodland.)

Again, we believe that a voluntary, cooperative program, with cost-sharing provisions that carefully avoid any infringement of private property rights, would be the most successful in achieving our soil and water conservation goals. Such a program has been successful for the past 45 years, and we do not believe that any radical changes are needed. We are convinced that if we build upon the present structure, we will continue to be the best-fed, clothed, and prosperous nation in the world.

ATTACHMENT TO STATEMENT OF WALTER WOOLLEY, JR., NATIONAL CATTLEMEN'S ASSOCIATION.

Background on the RCA Process

The Soil and Water Resources Conservation Act of 1977 was passed by Congress to appraise the non-federal soil, water, and related resources of the nation and to develop a program to guide the activities of the Soil Conservation Service. Both the Appraisal and the Program were to be completed by December 31, 1979, and be updated each 5-year interval thereafter during the period the Act is in effect. The RCA is due to terminate on December 31, 1985, unless it is extended by new legislation. Congress was to receive from the President the first Appraisal and Program and a statement of policy regarding soil and water conservation activities of USDA on the first day it convened in 1980.

These have been the results of the RCA process to date:

1. No RCA Program has been provided to either former President Carter or to President Reagan for transmittal with a statement of policy to Congress.

2. The RCA process was initially bogged down by an RCA Coordinating Committee. After more than two years of confusion, a draft RCA Program Report and Environmental Impact Statement was made available for public review by former Secretary of Agriculture Bob Bergland in early 1980. The proposed strategies in this document were rejected by the National Cattlemen's Association, agricultural producers and conservation districts across the nation as being unresponsive to the problems thay had identified during public meetings held by USDA in the summer and early fall of 1978.

3. In November 1981, USDA Secretary John Block made a revised RCA Program available for public review and comment. This document contains most of the elements which appeared in the 1980 RCA draft Program. In addition, it proposes a new layer of bureaucracy at the federal, state, and local levels of government through the establishment of coordinating boards. Furthermore, the Secretary's preferred Program alternative fails to adequately address rangeland, pastureland, and forest land which collectively make up 61 percent of the nation's non-federal land resources.

4. The RCA process has been costly and ineffective in developing a program to meet America's soil, water, and related resource needs. While the RCA process has been very helpful in directing national attention to soil erosion, USDA and SCS leadership has failed to develop a balanced program which recognizes the essential complimentary relationship between agricultural production and conservation.

5. The integrity of SCS rests with the continuation of a professional program administered by professionals through a voluntary cooperative program with ranchers and farmers.

National Cattlemen's Association

Comments & Recommendations

on

The Revised Draft RCA Program Report

and

Environmental Impact Statement

of

November, 1981

INTRODUCTION

The National Cattlemen's Association (NCA) is the national spokesman for all segments of the nation's beef cattle industry, including cattle breeders, producers, and feeders. The NCA represents approximately 280,000 professional cattlemen throughout the United States. Membership includes individual members as well as 51 affiliated state cattle associations and 20 affiliated national breed organizations.

A special NCA task force has reviewed the 1981 Program Report and Environmental Impact Statement offered by the Secretary of Agriculture as required by Section 6 of Public Law 95-192, the Soil and Water Resources Conservation Act of 1977 (RCA). The special industry task force was designated by the Chairman of the National Cattlemen's Association's Private Lands and Water Committee and appointed by the President of NCA.

The NCA Resources Task Force represents a broad range of industry leaders who have backgrounds in various scientific and animal agricultural disciplines, and who represent different geographic areas. It is within the framework of their unique backgrounds that NCA is pleased to provide the Secretary the benefit of the beef cattle industry's recommendations, critical review and comments regarding the 1981 "preferred RCA program." (See attached list of Task Force members).

INDUSTRY POSITION

The National Cattlemen's Association reaffirms its policy position that

current soil and water conservation programs, if administered and funded properly, will continue to provide technical assistance which will encourage ranchers and farmers voluntarily to develop and adopt conservation techniques that will conserve our nation's land and water resources. (1981 NCA Policy Statement: "THEREFORE, BE IT RESOLVED, The National Cattlemen's Association recommends that the Secretary of Agriculture transmit to Congress a RCA Report for 1981-1984 which emphasizes a nationwide voluntary Soil and Water Resources Conservation Program that provides for continued technical assistance to develop conservation programs, practices, long-term cost-sharing, and tax credits without creating additional regulations and cross-compliance strategies.")

NCA RECOMMENDATIONS

Recommendation No. 1--The substance of the first long-term objective (page 6-1 of the Revised Draft of the 1981 Program Report and Environmental Impact Statement) - the objective most highly recommended by the public - should be adopted. However, we recommend that the references to specific acreages be dropped and the objective be further revised to read:

"Develop a program that will lead toward nondegradation of the Nation's soil and water resources. Address erosion and other factors that reduce the long-term productive capacity of these resources to maintain the quality of the resource base. Assist land owners in applying and maintaining soil and water conservation systems that assure sustained productivity on all nonfederal cropland, rangeland, forestland and pastureland. Maintain conservation systems on lands that would be subject to erosion unless they were treated."

Recommendation No. 2--The preferred program and short-term objectives should be rewritten because they do not reflect the letter and spirit of the Soil and Water Resources Conservation Act of 1977 which indicate that the highest priority in a national soil and water conservation program must be to provide private landowners and operators with increased direct technical assistance from the Soil Conservation Service, working through soil and water conservation districts.

Recommendation No. 3--Congress should conduct oversight hearings on the RCA process in order to assure that the intent and spirit of the Congressional mandate is being followed.

Recommendation No. 4--A greater percentage of Soil Conservation Service personnel should be assigned to the field. In particular, technical personnel should be upgraded and deployed in the field so as to provide more "on-the-ground" technical assistance to ranchers and farmers.

Recommendation No. 5--Federal tax incentives should be provided to ranchers and farmers to encourage more and expedited investments in conservation techniques and practices that help achieve our conservation goals.

Recommendation No. 6--The principles, concepts and programing of the Great Plains Conservation Program should be used as a model for developing a voluntary cooperative program for ranchers and farmers in carrying out a workable and achievable soil and water conservation program.

Recommendation No. 7--In the development of a national soil and water conservation program, more recognition and emphasis must be given to the necessity and importance of sustained food and fiber production to meet domestic and foreign needs.

Recommendation No. 8--Program goals and objectives should be reevaluated and made consistent with the Administration's policy for expansion of foreign markets. For example, utilization of feed grains for domestic livestock production, with emphasis on exporting "higher value products," would improve our balance of payments, increase employment of U. S. workers, and decrease unemployment.

Recommendation No. 9--The Department of Agriculture should carefully avoid any action that infringes an individual's private property rights which are guaranteed by Article 5 of the United States Constitution.

Recommendation No. 10--Additional funds above current program levels should be directed to state soil and water conservation agencies authorized by state statutes to carry out and administer programs and objectives consistent with state conservation plans. Such funds should be allocated by each state's soil and water

conservation committee to priority areas within that state to meet the state's recognized and achievable conservation goals.

Recommendation No. 11--Education and information programs regarding conservation needs should be primarily directed toward those in positions to take steps to meet those needs, such as ranchers and farmers. It certainly doesn't help encourage cooperative attitudes on the part of such land managers, when an agency expends great sums of money to publicize unduly-negative "scare stories" that imply that ranchers and farmers have not been - or are not - interested in being good stewards of our natural resources.

Recommendation No. 12--Short-term objective number one (p. 6-4 of the Revised Draft RCA Program Report and Environmental Impact Statement) should be pursued only if funding of existing SCS programs is not decreased. Therefore, we recommend that the first sentence of this objective be revised to read: "Target increased efforts to areas where erosion threatens long-term agricultural productive capacity, *provided new money above that needed to carry out existing programs of the Soil Conservation Service is appropriated for such a purpose.*

Recommendation No. 13--The second long-term objective (p. 6-1) should be rewritten to read: "Reduce flood damages by the year 2000 by 16 percent from projected levels. Use modern technology to apply structural and nonstructural solutions in areas where the threat to agricultural lands and property is greatest." USDA should be primarily concerned with protecting and maintaining our agricultural lands.

Recommendation No. 14--The third long-term objective (p. 6-1) should be revised to read: "Maintain or improve all the Nation's nonfederal rangeland." As written, the objective is technically unsound because it ignors the importance of range trend. Rangeland in "good" condition with a downward trend may need far more assistance than rangeland in "fair" condition with an upward trend.

Recommendation No. 15--Long-term objective number four (p. 6-2) should be reworded to simply say: "Assist landowners in increasing on-farm and off-farm levels of irrigation efficiency." The unnecessary embellishments added to such an objective portend a possible infringement of state water rights by USDA. The reference to providing "appropriate assistance to help individuals make the transition to dryland farming or other occupations in these areas" implies social engineering which is not an appropriate role for USDA.

Recommendation No. 16--Long-term objective number five (p. 6-2) should be rewritten to state: "Achieve more effective use of water, including soil moisture, in meeting demand for agricultural output. Improve the reliability of available water supplies needed for agricultural use." What is "environmentally and economically defensible" depends on what standards or criteria are used and by whom. A market-oriented system will not result in the most desirable allocation or conservation of our water resources. In fact, it may work against important conservation goals.

Recommendation No. 17--Long-term objectives six and seven (p. 6-2) should be eliminated. They place USDA in a de facto role as a federal regulator of land and water uses.

USDA'S ALTERNATIVE PROGRAMS

Following is a summary of reasons why the National Cattlemen's Association rejects the three program alternatives presented in the Revised Draft of the RCA Program Report and Environmental Impact Statement (issued November, 1981):

1) Alternative 1, Continuation of Current Program Trends--Projected funding levels under this alternative are unacceptable. The recent trends toward more inventories, data collection and analysis have been at the expense of technical assistance to ranchers and farmers. The amount of on-the-land technical assistance has also been decreased since 1976 by the misdirection of technical assistance funds to non-productive work largely oriented toward internal management and administrative functions of SCS.

2) Alternative 2, Redirection of USDA Programs Toward Critical Agricultural Resource Problems--This alternative proposes a steady increase of Federal, centralized control over conservation activities. It would shift up to 25 percent of ASCS and SCS activities from priority work as determined by local conservation districts to priority work as determined by USDA.

There is no need for pilot projects to test regulatory enforcement of conservation practices, such as conservation easements and cross-compliance.

We disagree with the woodland management systems for nonfederal lands presented in the Forest Service's RPA report referenced in this alternative.

3) Alternative 3, Increased Local and State Role (The Secretary's Preferred Program)--This program does not include any items which specifically address rangeland or woodland.

The creation under this alternative of new local and State conservation coordinating boards and a national board adds bureaucratic layers to a system of local (conservation districts), state (state conservation boards and commissions) and Federal (Secretary of Agriculture working principally through the SCS) governments which has worked exceptionally well for over 45 years. This system has made America's conservation efforts the envy of the entire world while making our people the world's best-fed and enabling our country to be the most agriculturally-productive nation the world has ever known.

Less conservation assistance would be available to ranchers and farmers under this alternative since the funds for the proposed matching grant program would come from existing financial assistance funds for conservation. Instead of being directly available to ranchers and farmers as they now are, many of the funds would go for overhead for the new bureaucracy and up to half of the funds would be used to meet Federal - not state or local-priorities. The rest of the funds would be used to meet state needs provided that state programs meet high-priority Federal objectives.

Proposed pilot projects contain elements of regulation (such as cross-compliance, and conservation easements) contained in the 1980 RCA draft report which NCA rejected then and rejects now.

VIOLATIONS OF THE SOIL AND WATER RESOURCES CONSERVATION ACT OF 1977 (RCA)

The enabling RCA legislation signed into law on November 18, 1977 and the legislative history of that Act are clear on the Congressional intent and purpose of the RCA process.

In introducing the original legislation in the Senate, Senator Huddleston stated, "This legislation is designed as a companion to the Forest and Rangeland Renewable Resource Act of 1974." He further said, "We must have an analytical device that will provide Congress with the information needed regarding the stewardship of the Soil Conservation Service." His concluding remarks were, "With the Forest Service and the Soil Conservation Service operating under the same kind of system of appraising problems and finding solutions to those problems, the activities of these two important resource agencies can interface in many instances in a cooperative effort to avoid duplication."

Section 3 that Act states that "soil, water and related resources" mean those resources which come within the scope of the programs administered and participated in by the Secretary of Agriculture through the Soil Conservation Service.

Section 6 of the Act states: "The Secretary is hereby authorized and directed to develop in cooperation with and participation by the public through conservation districts, State and national organizations and agencies, and other appropriate means, a national soil and water conservation program...to be used as a guide in carrying out the activities of the Soil Conservation Service which assist landowners and land users, at their request, in furthering soil and water conservation on the private and non-federal lands of the Nation."

Sections 3 and 6 of the Act and the legislative history clearly reflect that the Act applies to the programs of the Soil Conservation Service, not USDA programs of the additional seven agencies included in the 1981 RCA draft report.

DATA BASE INADEQUACIES AND INACCURACIES

Many of the data bases used in the RCA appraisal are inadequate and inaccurate. For example, we have reason to believe that the erosion problems are misstated due to a heavy reliance on the two erosion prediction equations the Universal Soil Loss Equation (USLE) and the Wind Erosion Formula (WEQ).

In many cases, the USLE and WEQ do not accurately measure the bulk of erosion affecting soil resources. In addition, many of the factors for these equations are not well developed outside the region where they originated. For example, the USLE was researched and developed in the Midwest United States to

predict soil movement on dry cropland. It has not been adequately researched or tested on rangeland or woodland.

OTHER ITEMS OF CONCERN

Other specific items which represent major concerns to us are:

1) While rangeland is prominently mentioned in two of the seven objectives for the RCA program, rangeland is conspicuously absent, or lacking in emphasis, in program priorities and program alternatives. For example, rangeland is not mentioned in Alternative Programs 1 and 3 and is given only token mention in Alternative 2.

2) Woodland issues are also negelected. Woodland is not mentioned in Alternative Program 1 nor in Alternative Program 3, the Secretary's "preferred" program. Alternative 2 implies that the RPA program is applicable to nonfederal woodlands.

3) Emphasis on the most "cost-efficient" conservation measures in all three program alternatives portend the exclusion of many cost-effective treatments and measures. Measures could be cost-effective, but not be cost-efficient. The emphasis proposed in the Program Report is not acceptable from an economic or conservation viewpoint. We question the current USDA method of determining cost-efficiency becuase of its failure to credit induced benefits that accrue to the public from the application of conservation treatment or nonfederal lands.

4) Short-term objectives listed as applicable to all program alternatives regardless of which alternative is selected are slanted toward meeting social and environmental values including land use guidelines and regulations.

5) There are legal obstacles in some states to providing a state matching grants for projects on private lands. For instance, in Oklahoma, public funds cannot be used for improvements on private lands (Reference Oklahoma Constitution Article 10, Section 15).

(6) USDA's response form for the preferred program is misleading in its presentation of many of the features of the preferred program and in its two brief references to alternatives. (See attached comments.)

Attachment 1

COMMENTS ON USDA'S RESPONSE LEAFLET

General Comment: USDA's response form (OMB #0578-0020) is structured and worded in such a manner so as to mislead the public and secure favorable comments for the Secretary's Preferred Program. Alternatives 1 and 2 are given only token mention and are presented as weak and unresponsive program alternatives.

Specific Comment on individual items alleged in the USDA response form to represent features of the preferred program:

1. "Establishing clear national priorities for addressing conservation problems."

   Strongly Oppose. As presented in the 1981 RCA Program Report and Environmental Impact Statement, the priorities presented are unresponsive to many of the conservation needs of localities across the nation. For example, no priorities are presented for rangeland. Problems on rangeland should be evaluated based upon the condition and trend of the plant community occupying each range site. It is erroneous and shortsighted to base priorities for solving conservation problems on rangeland, forest land, and pastureland on erosion predicted by the Universal Soil Loss Equation (USLE) and Wind Erosion formula.

2. "Strengthening the existing partnership among land owners and users, local and state governments, and the Federal government."

   Strongly Oppose. The existing partnership among locally-governed conservation districts, state conservation agencies, and USDA has proven effective in meeting local conservation needs on a voluntary basis.

3. "Providing federal matching block grants to states by reducing federal conservation program funds."

   Strongly Oppose. This feature as presented in the preferred program would decrease federal funding for existing conservation programs. Administration of grant funds at the state level would be subject to the action of a politically controlled group. State money would be required for matching federal grants. Also, the present system of an elected state board and local boards would be circumvented.

4. "Providing for a Local Conservation Coordinating Board, made up of representatives of the conservation disctrict, county ASC committee, Extension advisory committee, and other interested parties.

   Strongly Oppose. The proposed coordinating board would add a new bureaucratic entity at the local level. Locally-elected and locally-governed conservation district boards are already responsible for coordinating conservation activities in their district.

5. "Having the local board identify critical resource problem areas, set priorities for action, and develop the local conservation program."

   Strongly Oppose. Existing conservation district boards already have this responsibility and have developed long-range programs and plans for their districts.

6. "Providing for a State Conservation Coordinating Board, appointed by the Governor, that identifies state critical problem areas, sets priorities, and develops the conservation program."

   Strongly Oppose. The proposed board would supersede the functions established by state law to be carried out by elected members of state soil and water conservation boards. The new board would consist of political appointees, not elected officials.

7. "Establishing a USDA National Conservation Board which advises the Secretary of Agriculture."

   Strongly Oppose. This National Board would create another bureaucratic entity at the federal level. The previous attempt at an RCA Coordinating Committee which developed the 1980 RCA Program Report and EIS is clear evidence of the futility of such a proposal.

8. "Basing cooperative actions on an agreement between each Governor and the Secretary of Agriculture."

   Strongly Oppose. This proposed action would remove the control of conservation programs from the hands of local people.

9. "Providing closer cooperation and budget coordination among USDA agencies with conservation program responsibilities."

   Oppose. Coordination could be achieved under the existing program. SCS should provide technical and financial assistance to landowners and operators at their request through established locally-governed soil conservation districts.

10. "Targeting more USDA funds and personnel to areas where erosion or other conditions threaten the productive capacity of soil and water resources.

    Strongly Oppose. Targeted funds should be used only if: (1) additional funds are appropriated above those needed to meet conservation objectives and priorities identified by local conservation districts, and (2) targeted areas are selected on the basis of achieving high priority conservation treatment needs on agricultural lands (cropland, rangeland, pastureland, and woodland).

11. "Emphasizing the conservation measures that are most cost-efficient in reducing erosion."

    Oppose. Cost-effectiveness would be a better test than cost-efficiency.

12. "Evaluating tax incentives as an inducement to increased use of conservation systems."

    Strongly Support.

13. "Emphasizing USDA assistance to farmers and ranchers for planning and installing conservation systems."

    Support. USDA should emphasize SCS technical assistance to farmers and ranchers for planning and installing conservation systems.

14. "Targeting USDA research and education services toward conservation problems that impair agricultural productivity."

    Support.

15. "Setting up pilot projects to test new conservation methods."

    Oppose. Some of the pilot project strategies presented in the preferred program contain regulatory and quasi-regulatory approaches which this Association rejects.

16. "Requiring land owners to have a conservation plan in order to be eligible for Farmers Home Administration loans."

    Oppose. This is a form of cross-compliance.

17. "Evaluating and analyzing conservation progress."

    Oppose. As described in the program this feature contains elements which would further detract from the delivery of technical assistance to farmers and ranchers.

18. "Minimizing conflicts among features of USDA farm programs that limit achievement of conservation objectives."

    Support. However, we do not support cross-compliance or other regulatory mechanisms to achieve this feature.

19. "Strengthening data collection and analysis for identifying conservation problems."

    Oppose, as presented in the preferred program. Conservation problems identification should be done by local and state people.

20. "Expanding the use of long-term agreements between USDA and farmers and ranchers."

    Support. NCA has long supported a voluntary program, such as long-term agreements developed under the Great Plains Conservation Program.

STATEMENT OF ROBERT C. BAUM, PRESIDENT, SOIL CONSERVATION SOCIETY OF AMERICA, ANKENY, IOWA, UNITED STATES OF AMERICA

Thank you for the opportunity to comment on behalf of the Soil Conservation Society of America with regard to U.S. Department of Agriculture budget and administrative proposals relating to soil and water conservation. Please include these comments in the record of your March 30, 1982, hearing.

SCSA was founded in 1945 as a private, nonprofit scientific and educational organization. Our members include a broad representation of land and water resource professionals and laymen--administrators, researchers, educators, planners, legislators, farmers and ranchers, conservation district supervisors, planning commissioners, and students. These 14,000 people have dedicated themselves to advancing the science and art of good land and water use.

SCSA members have been very much involved in discussions of the Soil and Water Resources Conservation Act of 1977 (RCA). Our members--at local, state, and national levels--participated in the initial efforts to identify the nation's resource problems, and they have responded to the administration's preferred program.

We in SCSA have a number of concerns about the administration's proposed budget for fiscal year 1983 and the administration's preferred program. I submitted comments to Secretary Block on behalf of SCSA on January 29, 1982. A copy of this statement is enclosed.

We in SCSA believe that a new conservation commitment is necessary in the United States. USDA's leadership in soil and water conservation needs to be strengthened with adequate funding to help maintain and, where needed, restore the productive capacity of our nation's soil and water resources. We are pleased that increased funding and support by state and local governments is making a strong contribution to our land and water resource conservation program. However, many state and local legislative bodies are finding it necessary to reduce budgets in order to manage their affairs; they are not in a position to replace the declining federal commitment. A strong federal commitment in soil and water conservation must be continued, with state and local contributions encouraged as complements to the federal effort rather than substitutes for it. The RCA process emphasized the need for additional conservation effort at all levels of government, not less as the USDA preferred program proposes.

We in SCSA are concerned that the political process followed in the RCA Program resulted in the preparation by USDA--with, I am sure, the influence of the Office of Management and Budget--of a proposal limited to a predetermined budget level. We would have preferred that USDA present to Congress a status report on our nation's soil and water resources, as determined by the conservation districts and others responding to the RCA study. Based on the facts in this report, USDA could have submitted recommendations to Congress on how to solve these problems and indicated what resources would be needed to do so. It would then have been the responsibility of Congress to determine the level of effort needed to protect the productivity of our soil and water resources and supported by the American public.

In my statement to Secretary Block on RCA, I noted that USDA's credibility within the agricultural community was being questioned as a result of the department's preferred program. The recent appointment of a person other than a career conservationist as chief of the Soil Conservation Service will not help USDA's credibility

among resource professionals and could be a serious blow to morale within SCS.

There are a number of other important points in SCSA's statement to Secretary Block regarding USDA's preferred program. While these are given more consideration in the attached material, I would like to summarize several of them here:

Limited Priorities: The priorities listed in USDA's preferred program are too narrow. While erosion control and upstream flooding are serious problems, they are not the top priorities in many states and in many conservation districts.

Farmland Protection: USDA should provide more leadership in the effort to prevent the conversion of agricultural land to nonagricultural uses. Keeping agricultural land in agriculture is as necessary as erosion control.

Committee System: New coordinating boards are not needed. The present system of conservation districts, which develop local programs and set priorities in soil and water conservation, and state conservation agencies, which provide leadership and coordination at that level, is adequate. If greater coordination is needed among the actors in this program--conservation districts, Extension Service, county ASC committees, and agricultural research--it can be accomplished with the existing groups.

Coordination of USDA Programs: Coordination of USDA programs is a long-overdue objective and one that is strongly supported. Conservation, production, and price stabilization efforts within USDA are sometimes contradictory.

Block Grants and Targeting: SCSA supports block grants and targeting if additional funding is available. We are concerned, however, about continued references to maintaining a base of conservation support by USDA at the local level, without any definition of what that base of support would include. We are also concerned about the possibility that block grants and targeting might reduce assistance in areas without national priority problems to a point that local conservation programs would be ineffective.

Expanded Conservation Effort: SCSA supports the proposals in RCA for coordination of efforts by USDA agencies and closer cooperation with state and local groups in this field. We also support consideration and approval of tax incentives, conservation systems, long-term agreements, and expanded research and education.

We believe that it is important to continue the national leadership that USDA has offered in the past in soil and water conservation. But this will require a greater federal commitment to the conservation of our nation's basic natural resources. Soil and water resources and agricultural productivity need to be accepted as matters just as important to the nation's defense as airplanes, missiles, and submarines. Funding for defense should include soil and water conservation.

Thank you again, Senator, for the opportunity to present this statement for consideration by your committee.

STATEMENT OF CLINTON LUNDQUIST, PRESIDENT, KANSAS ASSOCIATION OF CONSERVATION DISTRICTS, LINDSBORG, KANSAS

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to present this testimony to this important committee. I am Clinton Lundquist of Lindsborg, Kansas, President of the Kansas Association of Conservation Districts. Harold Johnson of Dwight, Kansas, Chairman of the Kansas State Conservation Commission, concurs in this testimony. We represent the 525 district supervisors who govern our 105 local conservation districts. These supervisors represent about 100,000 cooperating landowners and operators covering the entire state of Kansas--a state that ranks second in the nation in cropland acreage.

We wish to commend the Congress for passing the Soil and Water Resources Conservation Act of 1977 (RCA). This act called for a national appraisal of our natural resources, identifying critical resource problems, and gave the public an opportunity to have input into developing a soil and water conservation program for the nation.

Conservation districts in Kansas conducted some 220 public meetings at which people were asked to identify their soil and water conservation concerns. Some 5,000 people expressed their opinions.

The U.S.Department of Agriculture made use of this information in developing the Secretary's preferred soil and water conservation program. The public was again given an opportunity to comment on the preferred program.

The following statement is a joint summary of the opinions and concerns of the people we represent.

Our organizations commend the Secretary for establishing soil and water conservation priorities for the next five years. We certainly

support the emphasis upon USDA assistance to farmers and ranchers in planning and installing conservation systems. We agree that conservation measures should be as cost efficient as possible. However, certain intensive practices, such as parallel terracing, will still be needed.

We would like to see the continued collection and analysis of data on conservation problems provided in the RCA process. We certainly support the idea of expanding the use of long-term agreements between USDA and farmers or ranchers. That, we feel, is the most effective way of establishing and maintaining conservation on the land. The Great Plains Conservation Program, applicable to only 62 western counties, has very effectively demonstrated the success of long-term agreements.

We strongly believe that conservation and productivity of the soil needs to be tied more closely together. We agree that more USDA research and education needs to be directed toward certain conservation practices, such as conservation tillage. Such efforts will help solve conservation problems and assure the production of food and fiber needed for the nation.

We definitely support the proposal to reduce conflict among features of USDA farm programs that get in the way of conservation progress. Leadership for such efforts should come from the USDA in Washington. Related to that point is the plan to provide closer cooperation, including budget coordination, among the USDA agencies having conservation responsibilities. We support the idea, but feel that this can be accomplished without the proposed NEW coordinating boards.

We favor the proposed concept of matching grants to states to augment local and state funding for soil and water conservation programs, but not at the expense of successful ongoing federal conservation programs. The State Conservation Commission and conservation districts have the authority to administer such grants in Kansas.

The Department of Agriculture is to be commended for its positive

reaction to the public responses during the RCA survey. The proposed program demonstrates a sincere effort to meet conservation needs of this nation. It contains many good features. However, we have some major concerns.

For example, we strongly oppose the establishment of state and local coordinating committees to develop programs, set priorities, and identify critical areas. The State Conservation Commission and conservation districts are established by state law in Kansas for these very purposes. Shifting these responsibilities to the proposed state and local coordinating boards would result in a complete change in operating procedures and would present a direct threat to the existing State Conservation Commission and conservation district boards. Basing cooperative actions at the state level on an agreement between each governor and the Secretary of Agriculture would bypass state conservation laws and would take control of conservation programs from the hands of the local conservation districts. We strongly oppose the idea.

We also oppose targeting more USDA funds and personnel to high erosion areas, unless additional funding is provided to assure that an adequate base program for all conservation needs will be maintained in all areas. Under the preferred program money would be taken from other conservation programs to fund pilot projects to test new conservation methods. If additional funds were provided, this idea would have our support.

We recommend that water conservation be added as a high priority objective along with erosion control and reduction of flood damages. Water conservation is directly related to reducing erosion and flood damages. We feel the need to conserve our nation's water for productive uses is very critical.

We do not support the requirement of a conservation plan in order to get a loan from the Farmers Home Administration. This is a form of cross-compliance that was firmly rejected by the public during the early

stages of the RCA review. Conservation programs must be carried out on a voluntary basis. A conservation program with FmHA loan participants can best be carried out by the National Association of Conservation Districts, state associations of districts, and local districts working cooperatively. The Secretary of Agriculture can take the leadership by issuing a memorandum to all USDA agencies advocating the wise use of soil, water, and related resources where USDA programs are involved.

In addition, we feel that it is critical that the nation's soil and water conservation program address the issue of prime farmland as it relates to its continued use for agricultural production. It is equally important to design a conservation program which will protect the productive capacity of these lands for producing the food and fiber needs of this nation now and in the future.

The Kansas Association of Conservation Districts and the Kansas State Conservation Commission appreciate this opportunity to express our concerns.

Now that the Secretary of Agriculture has received the public's comments, he will be presenting a proposed soil and water conservation program to Congress. We hope that Congress will take these ideas into consideration in developing a strong national program. A strong program is necessary to solve the critical soil and water conservation programs which are sapping the strength of our nation.

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STATEMENT BY C.B. PLAYER, JR. OF BISHOPVILLE, S.C.
TO THE U.S. SENATE AGRICULTURE SUB-COMMITTEE
ON SOIL AND WATER CONSERVATION

March 29, 1982

Senator Jepsen and members of the committee. I am C.B. Player of Bishopville, South Carolina, and serve as president of the S.C. Association of Conservation Districts and a member of the S.C. Land Resources Commission.

On behalf of the conservation district commissioners in my state I commend the Congress and the USDA for calling for and conducting an inventory of the natural resource conservation needs of this nation. This is a notable achievement which will be very helpful in revising our comprehensive plans for the wise use and protection of our soil and water resources now and in the future.

We do, however, have stong opposition to some of the proposals put forth by USDA in their "preferred program" designed to meet the conservation needs and solve the related problems.

We strongly oppose the idea of "coordinating boards" at the federal, state, and local level. This concept is totally unacceptable because we have at the state level a state soil and water conservation agency (the Land Resources Commission in South Carolina) which has the responsibility of administering the soil and water conservation districts law, coordinating the development of comprehensive conservation plans for protecting the land and water resources, and providing some of the professional and financial assistance to conservation districts. The members of the state Land Resources Commission are conservation district commissioners as required by state law.

At the local level we have an organized soil and water conservation district coterminous with county boundaries and managed by local citizens who know the problems, needs, and how to solve them. In our judgement there is no satisfactory substitute for "grassroots" leadership in solving our natural resource conservation problems.

At the federal level we believe an Advisory Council to the Soil Conservation Service with membership composed of conservation district commissioners, state soil and water conservation agencies, and representatives of landusers in the rural and urban areas would be advantageous to SCS, the USDA, and to all who utilize their assistance.

We strongly oppose USDA's proposed "targeting concept" of federal soil and water conservation funds. This would provide an opportunity for USDA conservation funds to be taken from those states and conservation districts that are doing a good job and redistribute them to other states or regions that have been doing a poor job in soil and water conservation. This becomes an even greater concern as a result of the recent action of the USDA Secretary to make the head of SCS a "partisan political appointee".

We recommend that the top priorities set by the USDA for solving the soil and water conservation needs as a result of the RCA process be broadened and expanded to include such problems as drainage on prime and important agricultural lands.

We support the concept of federal matching grants to state soil and water conservation agencies and conservation districts as a supplement to adequately funded programs of SCS at the federal level. These block matching grants should not be provided for at the "expense" of present and future needs of federal appropriations to SCS. Block grants above and beyond the funds made available to SCS to maintain a strong and effective program is an excellent way to implement the "targeting concept" within the states and conservation districts. This approach will get results.

Finally, Mr. Chairman, let me emphasize that we have the expertise in our conservation district commissioners to provide the leadership necessary to evaluate, plan, and accomplish a successful soil and water conservation program. With soil and water conservation given a higher priority and adequate financial support at the Washington level, we at the state and district level will continue to be successful in bringing about a "miracle on the landscape". Thank you or this opportunity to appear before you.

[The following information was subsequently received by the committee:]

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., July 19, 1982.

Hon. JESSE A. HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: We have had an opportunity to further review the responses provided your committee after the Oversight Hearing on the Soil and Water Resources Conservation Act of 1977 (RCA). Technical corrections or additional information have been included in our responses to questions 2, 14, 21, 22, 25, 35, and 37. These corrected responses are enclosed.

We realize it may be too late to include this material in the printed report of the Oversight Hearing. However, we feel it is appropriate to provide you this information for your use and inclusion in the record if it is possible. We regret the press of business has delayed this review.

Sincerely,

RICHARD D. SIEGEL,
Deputy Assistant Secretary for Natural Resources and Environment.

Enclosure.

RESPONSE TO QUESTIONS SUBMITTED BY SENATOR HELMS

Question 1. Many comments that the subcommittee has received on the targeting proposal reflect a concern that absolute rates of erosion will be emphasized at the expense of more fragile lands. In other words, areas of the country with 10 feet of topsoil may be experiencing soil erosion rates of 50 tons per acre, where other areas with 3 inches of topsoil may have erosion that is only slightly erosive. Is this question being addressed in the strategy for targeting funds?

Response. In selecting areas for targeted erosion control efforts, consideration is given to maintaining the soil resource base and preservation of the productive capacity of cropland. Thus, some of the nationally designated erosion control areas are addressing the preservation of fragile lands. Other targeted areas are addressing extremely high erosion rates which affect crop production.

Question 2. The proposal to require farm ownership loans to be tied to the borrower's having a conservation plan in effect has prompted an outcry from some groups against "cross compliance." How do you review this sensitive issue?

Response. Support exists for the conservation plan requirement related to farm ownership loans. The public responded to this specific feature in a positive way during the RCA public comment period.

Nationally, a majority of respondents (53 percent) support requiring landowners to have a conservation plan in order to be eligible for Farmers Home Administration farm ownership loans. Support is broad when viewed by State and by affiliation groups.

In 38 States, a majority of respondents support this feature. The three States which oppose (Louisiana, Mississippi, and Texas) account for 10 percent of the response and 4 percent of the support, but almost one-quarter (33 percent) of the opposition. Half of all farmers support this feature, while 60 percent of nonfarmers support it. Among those who are farm owners, 54 percent support the feature.

In their narrative remarks, respondents express support for this proposal in a number of ways, saying public funds should not go to those who do not practice conservation, or that this proposal does not go far enough. Some suggest other requirements to be related to USDA programs. Concerned respondents mention red tape and lack of enforcement as potential problems.

This reaction from respondents is similar to reaction in the nationwide Harris poll conducted 2 years earlier. More than half of those polled (56 percent) said it is fair to both farmers and taxpayers if "the government would require farmers and other landowners to protect their soil and water and would give them loans and other financial help to do this."

The conservation plan requirement is appropriate for farm ownership and soil and water loans in that this is a step toward protecting the public's investment. As presented in the national conservation program, this is a limited, not broad-scale cross-compliance proposal.

RESPONSE TO QUESTIONS SUBMITTED BY SENATOR JEPSEN

Question 3. The period for receiving public comments on the Secretary's recommended RCA program is now complete. Can you provide a general preview of what the public reaction has been to these proposals?

Response. *RCA Update.*—Nearly 84,000 people sent comments to the United States Department of Agriculture (USDA) during the recent public comment period on the revised draft 1981 Program Report and Environmental Impact Statement prepared under terms of the Soil and Water Resources Conservation Act of 1977 (RCA).

A total of 81,008 respondents in the 50 States and the District of Columbia sent response forms to the Soil Conservation Service (SCS). An additional 885 respondents in Puerto Rico sent response forms to the SCS director of the Caribbean Area. The number of people in any one State who completed the response form ranged from 54 in Rhode Island to 8,804 in Kentucky.

Organizations, government agencies, Members of Congress, individuals, and others sent an additional 1,896 letters, petitions, and similar responses to the Secretary of Agriculture or to SCS. The governors of 37 States, Puerto Rico, and Guam commented on the proposals.

Of those who used the response form, 43 percent said that they supported the Secretary's "preferred program," while 48 percent said that they opposed it. About 61 percent of the respondents supported alternative 1, "continuation of current program trends," while 21 percent opposed it. Forty-two percent supported alternative 2, "redirection of Federal programs," and 38 percent opposed it.

A majority of the respondents supported 15 of the 20 features of the preferred program. The percentage of respondents who supported any one of these 15 features ranged from 53 to 87 percent. Three features—basing cooperation on an agreement between each State governor and the Secretary of Agriculture, establishing local conservation coordinating boards, and establishing a national conservation board—received less than a majority of support but also less than a majority of opposition. Over 60 percent of those who used the response form opposed the other two features—providing for Federal matching block grants to States by reducing funding for existing conservation programs and establishing State conservation coordinating boards.

Respondents who wrote letters or narrative comments on the response form tended to agree with the preferred program in concept but expressed concerns about some of the specific features of the program. These respondents were most concerned about the conservation priorities, the conservation coordinating boards, and the targeting of conservation activities to national critical resource problem areas. Many respondents added that increased funding for conservation programs would diminish their concern.

On April 5, 1982, Secretary Block released the "Preliminary National Report of the Public's Comments on the Revised Draft RCA Program Report; November 1981–January 1982." This summer, the Department plans to print and distribute the final national report of the public's comments. In addition, the Department is planning to distribute a short summary to everyone who commented.

Question 4. How much do you anticipate it will cost to carry out the preferred program?

Response. It is not possible to give a total or yearly cost to carry out the preferred program at this time. Based on the public response to the 1981 Program Report and Environmental Impact Statement, Revised Draft, the preferred program is still being revised. As the Secretary selects the final program features, and the funding levels, the preferred program will evolve into the recommended program. At that time, more definitive costs can be assigned. However, actual funding for soil and water conservation is expected to vary depending upon general economic and other conditions and the priorities established by the Administration and the Congress.

There are available estimates of projected fifth-year costs for the preferred program at three funding levels. These costs are based on the program features in the Revised Draft. The enclosed table (7–1) sets out these estimates.

TABLE 7–1.—PROJECTED FIFTH-YEAR DISTRIBUTION OF FUNDS AMONG MAJOR COMPONENTS, PREFERRED PROGRAM [1]

[Dollars in millions]

Major component	1981 (base year)	Funding		
		Level funding	Upper bound	Lower bound
1. Technical assistance	$198	$211	$212	$185
2. Financial assistance:				
a. Cost shares to operators	278	164	166	179
b. For project activities	177	167	211	134
c. Subtotal financial assistance	(455)	(331)	(377)	(313)
3. USDA matching funds		105	175	30
4. Education/information (Extension Service)	12	14	15	10
5. Research and technology development	74	80	88	71
6. Data collection and analysis	81	79	87	72
7. Emergency programs [2]	17	17	17	17
Total	837	837	971	698
Loans	(77)	(72)	(82)	(60)

[1] All funds are shown in millions of constant 1979 dollars rounded to the nearest million.
[2] Held constant because it is impossible to predict emergencies.

Question 5. Work done to date under the Soil and Water Resources Conservation Act of 1977 indicates:

1. The existence of many critical resource problems.
2. The increasing pressure on the resource base to produce greater quantities of food and fiber to meet domestic and export needs.
3. The inadequacy of our valuable natural resources.

In view of this, how can a budget request that is 10 percent below the current level and that shows decreases in several major SCS programs be justified?

Response. Solutions to the Nation's economic problems have necessarily been the President's overriding concern in making his fiscal year 1983 budget decisions. To this end, decreases have been proposed in our construction and cost-sharing programs such as Watersheds and Great Plains where we can more readily absorb temporary funding reductions without destroying the basic program delivery system. It should also be noted that within this constrained budget level, there are several significant new and expanded program thrusts that represent positive steps toward addressing the problems that have been identified through the RCA process. These include increased targeting of technical assistance in geographical areas with the most serious resource problems, additional supporting efforts in these same areas for soils interpretations, inventory and monitoring, and River Basin studies, and a new matching grant program to bring in greater State and local involvement in soil and water conservation.

Question 6. How can you justify such a meek-and-meager offering in the light of your own appraisal of conditions and needs—coupled with strong public support for a higher Federal commitment to conserving these resources for future generations?

Response. This Administration's primary goal is to reduce Federal spending to help bring down the rate of inflation and reduce the Federal deficit. The Department does not believe that improved conservation programs necessarily depend on investing more and more Federal funds in soil and water conservation. The Department does believe that it is possible to get more conservation applied for each Federal dollar spent. That is why the preferred program places emphasis on finding more cost-effective ways to get the work done.

An improved economy with reduced inflation will allow greater accomplishments with limited Federal, State and local dollars.

The preferred program is an early-action plan geared to the highest priority needs. It establishes clear priorities for conservation assistance and proposes that local and State governments have an expanded role in conservation decisionmaking.

The program is intended to provide a foundation for solving other resource problems later as economic conditions permit. The ultimate goal is to assure that the Nation has enough soil and water resources to meet future needs for food and fiber at a reasonable cost.

Question 7. The budget you have proposed for fiscal year 1983 would terminate the Resource Conservation and Development (RC&D) program despite congressional action last year to give it permanent status.

The budget would also merge the Forestry Incentives, Water Bank, and Rural Clean Water activities into a vastly reduced Agricultural Conservation Program. Together with the ACP cost-sharing program, these programs had $220 million in budgetary authority in the last fiscal year and only entails $56 million for fiscal year 1983.

The budget also proposes a major reduction in the Great Plains Conservation Program and in water resource activities.

What is the effect of the fiscal year 1983 request for ASCS cost-sharing programs on SCS and conservation work?

Response. With the combination of the Water Bank and Emergency Conservation Programs into a consolidated program with the Agricultural Conservation Program and an overall funding reduction of over $160 million, SCS technical assistance to these programs will be reduced by about $7.2 million or 283 staff years. The fiscal year 1983 budget proposed for SCS reflects this reduction in staff years. This reduction will decrease the level of technical assistance to those activities which are reduced by ASCS but local ASC Committee managers are allowed increased flexibility to prioritize treatment needs and to target funds to the most critical problems. SCS will continue to provide about 62 staff years of technical assistance to service existing Rural Clean Water Contracts obligated prior to fiscal year 1982.

Question 8. The Small Watershed Program has been very successful in Iowa and other States. It and other flood prevention programs have been providing local people in Iowa and elsewhere the technical and financial assistance to solve their soil erosion and upland flood damage problems which are the top priorities in your preferred program. This being true, why are you putting restrictions on the program . . . and why are you cutting construction funds when the need is so great in Iowa and elsewhere?

Response. The reduction in construction funds is a necessary short-term effort to reduce Federal expenditures. When the rate of inflation and interest rates are brought under control, consideration will be given to increased construction fund proposals.

Question 9. In proposing new planning starts and no new construction starts under the Small Watershed Program in fiscal year 1983, are you not creating a program imbalance?

Response. Additional planning starts are needed to identify new critical flooding problems which will urgently need solving in the future. While we have no new construction starts proposed, we will continue to fund ongoing projects and thus work toward completion of these projects.

Question 10. How does this proposal—new planning starts but no new construction starts—relate to the Soil and Water Resources Conservation Act of 1977 (RCA) objectives and to targeting?

Response. Projects with significant flood damage and erosion problems will receive high priority in ganting new planning starts. This is in agreement with our proposal to target efforts to certain critical areas.

Question 11. Have you identified programs to be phased out if your recommended program is implemented?

Response. The preferred program does not call for the phasing out of any conservation program.

Question 12. How soon will the Congress be informed of your specific recommendations for each of the existing soil and water conservation programs?

Response. Present plans call for releasing the final program report by summer of this year. Shortly thereafter, implementing legislation, if any is needed, will be submitted to the Congress.

Question 13. The recommended program reflects a lot of emphasis on priorities and use of conservation measures that are most effective. It has been described as an early-action plan for concentrating on the most critical problems first while our economy is recovering. This implies that much of the more costly measures to conserve these resources are going to be delayed until economic conditions improve and more funding can be provided for soil and water conservation programs.

This sounds a lot like a "band-aid" approach that delays addressing some of the sericus and more costly problems until sometime in the future.

Is this realistic? Do you really believe we can ignore the conservation needs of this Nation just because they are costly?

Response. The emphasis on cost-efficient conservation systems may result in more management practices, such as conservation tillage, as opposed to the more permanent practices such as terraces. The rationale for this emphasis is that the management practices, such as conservation tillage, are generally the most cost-efficient increment of a complete conservation system in controlling erosion. This approach,

along with targeting and other features of the preferred program will maximize the impact on reducing conservation problems.

Question 14. Isn't one of the reasons for using public funds for soil conservation based on consideration of economic costs and returns and a generally longer planning horizon for the public compared to the individual producer's self-interest?

Response. Yes. It is generally accepted that producers have a shorter planning horizon than society. For most practices the short-term on-site benefits of conservation will not economically justify the individual producer's investments in conservation. Nor does the producer usually share in the off-site benefits of his conservation practices on his land. These benefits accrue primarily to society. There is a growing body of literature that supports the position that the long-term benefits of land productivity and the off-site benefits that flow from conservation both justify the public's investment.

Question 15. The nature of farming lends itself to a perspective that is short-term in its objectives—for example, annual crop production levels—and not to the long-term objectives required for effective conservation practices.

Reorientation of USDA soil and water conservation programs toward long-term conservation goals has grown in recent years.

What efforts will you be making to implement policies that continue a redirection of conservation funds to long-term public needs?

Response. Passage of the Soil and Water Resources Conservation Act of 1977 (RCA) was a landmark step forward in redirecting conservation funds to long-term public needs. In response to the Act, the United States Department of Agricultural (USDA) developed procedures to:

Appraise soil, water, and related resources;
Project future demands on and requirements for these resources;
Provide for public participation;
Analyze the appraisal and the projected demands on these resources;
Define specific resource problems;
Establish feasible soil and water conservation objectives to resolve the problems;
Develop and compare alternative programs to achieve the objectives;
Select a program for implementation.

The final program report will contain the Department's recommended program objectives and priorities. These objectives and priorities will be used in the budget formulation and execution process to achieve coordination of conservation programs in all agencies. Extensive exchange of data and information combined with guidance from the Secretary will result in agency budgets and program plans that are consistent with long-term public needs and are coordinated for the most effective program delivery at the local level.

Much has already been done. As RCA clarified problem areas, the Department has moved to address the issues raised. Research has been redirected to more fully address erosion problems, the targeting concept was implemented to focus funds and people on critical resource problems, and State capability was strengthened to develop State priorities and plans. This redirection will continue as additional issues are addressed.

The RCA Act requires a report to Congress on all the soil and conservation programs in USDA. The Act required the report in 1980 . . . but it has not been issued.

Question 16. When will Congress receive it?

Response. Present plans call for releasing the final program report by summer of this year.

Question 17. The targeting of technical assistance funds to geographic areas of national significance seems to ignore the long standing concept and policy that soil and water conservation programs are based on the priorities of local conservation districts. What rationale is there for targeting these funds at the national level of national priorities?

Response. We do not propose to abandon the long standing concept and policy that local people working through conservation districts are paramount to developing conservation programs and actions to address significant local conservation needs and problems. This policy is basic to our democratic process and over the years it has proven successful.

Our rationale for national targeting is to increase the amount of available technical assistance in those local conservation districts that have more critical resource problems. The rationale recognizes that all conservation districts do not have the same degree of conservation problems and that certain problems are more critical than others from a national viewpoint.

Question 18. Can you demonstrate . . . by example or otherwise . . . that SCS is doing a better job of addressing specific problems in targeted areas than in non-targeted areas?

Response. Our targeting effort has been operational for less than a year; therefore, it is too early to demonstrate conclusive results. Nevertheless, accomplishments of the first six months look promising. Here are a few of our findings:

The targeted approach has definitely focused on serious problem areas. Our analysis indicated that 46 percent of all the land within designated erosion control target areas is eroding at more than acceptable levels; and 82 percent of the cropland within these areas is eroding at more than acceptable levels. In the 10 States with erosion control target areas, the Statewide proportion of cropland eroding at more than acceptable levels is just 39 percent.

An average of 44 percent of the cropland benefited from conservation treatment within target areas was eroding before treatment at more than two times the acceptable levels.

Average rates of erosion reduction within the targeted erosion control areas were almost eight tons per acre. The average rates of erosion reduction varied from 5.5 tons to 20.96 tons per acre.

Acres of cropland protected, as a result of targeted erosion control efforts, increased by 33 percent or 143,978 acres compared to fiscal year 1980 accomplishments.

Almost five percent of all cropland protected nationwide in fiscal year 1981 was in targeted areas. In fiscal year 1981, targeted funds represented just 1.7 percent of total Conservation Technical Assistance funds.

These and other preliminary results tend to support our earlier conclusion that targeting could maximize conservation accomplishments.

The following are examples of activities being carried out in targeted areas with early successes:

GREEN HILLS, MO.

Critical erosion.—Strong local support for targeting and encouraging early accomplishments characterize the first progress report from the Green Hills targeted area in North Central Missouri. Eleven units of government are currently involved in a coordinated effort to deal with critical erosion problems in the nine-county area.

A total of 16,829 acres was benefited by the application of conservation practices and 464,882 tons of soil loss by erosion was prevented during the first six months of operations. The average rate of erosion reduction was 27.6 tons per acre.

SCS and the Missouri Department of Conservation increased staffing within this area by 15 employees during fiscal year 1981

PALOUSE, WASH.

The State of Washington is using an innovative approach to solving erosion problems in the Palouse targeted area. Working through cooperative agreements with conservation districts, no-till or other conservation tillage equipment has been leased and made available to farmers to try conservation tillage on their own farms. Additional staff has been added to meet the increased demand for technical assistance within the targeted area. Some 272,043 acres were benefited and 2,750,407 tons of erosion was prevented. This amounts to 10.1 tons of erosion prevented per acre benefited. Read Smith, Chairman of the Palouse-Rock Lake Conservation District sums up conservation district feelings on the targeting program with this comment: "This is the first time a Federal agency has asked us how best to solve our problems and provided some funds for us to try our ideas. We are excited about it and feel we can fulfill our part of the agreements."

WYOMING

Water conservation.—A good start has been made in accelerating irrigation water management assistance in the 14-county Wyoming targeted area, where three staff positions were established for this purpose. Most of the early efforts have been directed at equipping field staffs with needed soil moisture measuring equipment and programmable calculators, and in providing training to develop the skills needed to provide direct assistance to irrigators.

The 6-month progress report shows a total of 36,216 acre-feet of irrigation conserved on-farm, and 11,703 acre-feet of water conserved by off-farm conveyance systems.

Question 19. What additional areas of targeting, either geographical or problem related, have been identified for possible future emphasis?

Response. For fiscal years 1981 and 1982 three problems were identified for targeted assistance: Critical cropland erosion; water conservation through improved irrigated efficiency; and salinity reduction in irrigated areas.

For fiscal year 1983 additional target areas will place continued emphasis on erosion control and water conservation. Approximately 85 percent of the target funds will be for erosion control and 15 percent for water conservation and/or salinity reduction. We have identified the Ogallala Aquifer that covers parts of Texas, Oklahoma, Colorado, New Mexico, Kansas, and Nebraska as a target area for water conservation. New erosion control areas that have been identified include the Black Prairie area of Texas, Aroostock County, Maine, the Piedmont area of North Carolina and Virginia, the Northern Mississippi Valley (parts of Iowa, Minnesota, and Wisconsin), and portions of California, Oklahoma, and Utah. The Mississippi Valley Uplands area will be expanded to include parts of Louisiana, Arkansas, Illinois, and Indiana. The Corn Belt areas will have portions of Kansas, Missouri, and Nebraska added.

Question 20. How is your targeting program similar to or different from the Special Areas Conservation Program authorized in the 1981 Farm Bill?

Response. The ongoing targeting effort was initiated by SCS and involved technical assistance only. Cost-share participation by ASCS and information and education support from the Extension Service are coordinated informally among the agencies with no legislative mandate for joint action. Present targeting activities are being supported from existing funds.

The Special Areas Conservation Program would formally involve SCS, ASCS, and Extension Service in targeting technical and financial assistance and information and education activities to areas with critical resource problems. This approach would require the development of special area reports that provide for the use of all Federal programs to solve local resource problems. This report would be approved by the Secretary of Agriculture and transmitted to the Senate Committee on Agriculture. Cost-share funds would be provided through long term agreements rather than on an annual basis. Research for improvement of technology is included in the program.

Question 21. The matching grants program initiative is being funded under the authority provided in the Agriculture and Food Act of 1981, Public Law 97-98. Section 1516(a) of this Act authorizes a wide range of conservation purposes and objectives which are eligible for funding through matching grants. Please explain why you propose to restrict the use of these funds to geographic land areas having critical soil erosion or upstream flooding problems of national significance and for technical assistance only.

Response. We have selected critical problem areas because they should be the areas that can make the best use of these grant funds. As the amount of funds is relatively small, $10 million, it will be more efficient to limit them to the targeted areas we already have under intense study. We also feel we should limit the application of the funds by function. The intent for the first year is to beef up technical assistance. New conservation district employees to be employed using grant funds will need training and experience before they can be fully productive. We see fiscal year 1983 as a start-up period. The grant program may be expanded after evaluating the effectiveness of this approach, if the funding for that program increases.

Question 22. The matching grants program initiative provides $10.0 million for technical assistance funding to supplement current SCS technical assistance efforts. Please explain why you elected to request funds for a matching grants initiative rather than request a larger increase in conservation technical assistance funding.

Response. We believe a matching grants initiative, stimulating an equivalent amount of effort by conservation districts will buy more technical assistance at less Federal cost than would an equivalent increase in conservation technical assistance funds. In addition, the grant program will not increase Federal employment.

The matching grants program is an effort to strengthen Federal, State, and local commitment to soil conservation. And, it is consistent with the President's New Federalism policy.

Question 23. There have been a lot of questions about the proposal to establish conservation coordinating boards at the local and State levels. Many view this as an imposition of an additional bureaucratic layer. There is concern this proposal will infringe on the functioning of organizational arrangements that already exist under State law.

Are you aware of this situation . . . and do you expect to modify the program in this regard?

Response. The Department has received a considerable amount of criticism from around the country on the Coordinating Boards Proposal. The Department is not wedded to any one method of achieving the necessary coordination between conservation programs. There may be a better way and a review is underway now to identify and evaluate alternatives.

Question 24. Our western friends are concerned about rangeland. It is vital to their livestock industry.

In your testimony before the Senate Agriculture Committee last October, you pointed out that on 60 percent of the Nation's nonfederal rangeland, erosion and other deterioration are damaging the resource base, sharply reducing its productive capacity. You said this land is producing forage at less than one-half of its potential. You explained that this means that potentially 600 to 800 million pounds of red meat aren't being produced every year because of the way this resource is being managed.

In view of this, why isn't rangeland improvement given a higher priority in the program you propose?

Response. It is impossible to list priorities in numerical order and have every serious problem listed as number one. To be able to concentrate the limited financial and personnel resources of the Department there had to be a numerical order. Based on the several public participation efforts and our RCA analyses, erosion is clearly the number one national priority. We will give emphasis to this problem where it occurs whether it be on nonfederal crop, pasture, range or forest land. We are aware our description of priorities in the preferred program was not clear on this point.

The Department does intend to preserve the soil and water conservation programs that currently reach into practically every county. These programs are designed to provide specific attention to the number one priority in that county or state, without regard to whether or not it is a national priority. This is one of the strengths of the ongoing Soil and Water Conservation Program of the Department. While it is very important to set national priorities and target resources, the Department also realizes that targeting and national priorities have their limitations when dealing with soil and water conservation issues across the entire Nation.

Question 25. The recommended program is wisely founded on an objective of preserving our agricultural productive capacity for future generations. There is evidence we will soon be running short of the agricultural land required to meet our agricultural needs.

We are told there are many acres of cropland that can be made more productive by drainage . . . but outlets are needed before on-farm systems can be installed. Yet the program you propose does not mention drainage.

Shouldn't the Department of Agriculture consider drainage of cropland as an element in its conservation programs that are geared toward a potential scarcity of resources?

Response. In the RCA response process, over 300 comments were received that specifically addressed drainage and most of them agreed with you that drainage of cropland should be an element in the USDA conservation programs.

Drainage is a production practice. It is also a soil conservation practice and is an element in USDA conservation programs. It is a prerequisite to applying many conservation practices when the land needs drainage. Drainage is a part of our normal conservation activities but is not high enough priority to be specifically identified in our recommended program.

Unlike erosion, drainage problems usually do not constitute a threat to permanent loss of the soil resource base for long-term productivity. Drainage usually improves the productivity of land and provides more crop and management options.

We can adjust our programs to focus on solving drainage problems that constrain our agricultural production capacity when the need clearly arises. For the short-term, however, drainage is not high enough priority to be specifically identified in our recommended program.

Question 26. The RCA program proposal doesn't address what action is to be taken on improving irrigation efficiency and management improvements on rangeland.

What actions are you planning in this area?

Response. The long-term objectives for improving irrigation efficiency and rangeland are set out below:

Assist landowners in increasing the on-farm and off-farm levels of irrigation efficiency from the present 53 and 78 percent to 66 and 87 percent, respectively. Target program efforts to areas where irrigation has a major impact on surface and ground water supplies, water quality, instream flow, and economic stability. Focus water

conservation assistance on better management where ground water supplies are being depleted so fast that withdrawals of ground water may soon be infeasible. Provide appropriate assistance to help individuals make the transition to dryland farming or other occupations in areas where groundwater supplies are depleted.

Improve 245 million acres of rangeland currently in "poor" or "fair" condition as identified in the 1977 National Resources Inventory to "good" condition.

We are aware that the public response indicates a desire for additional attention to these resources. We will consider the views expressed in the public response as we finalize the RCA program.

Question. 27. It would appear there should be a stronger emphasis on encouraging States to use existing soil and water conservation legislation and not starting a whole new set of laws. Do you agree?

Response. We believe the existing State laws provide the conservation districts, the Agricultural Stabilization and Conservation (ASC) Committee, State soil conservation agencies, and others with adequate authority and responsibility. It is our intention to cooperate with and assist these bodies to perform their duties and to provide opportunities for other interested parties to participate in the process. We recognize the authority and responsibilities of conservation agencies under State law and the responsibilities of ASC Committees at the local and State levels. We will continue to utilize the memoranda of understanding between conservation districts and the Department.

RESPONSE TO QUESTIONS SUBMITTED BY SENATOR HAYAKAWA

Question 28. Mr. Secretary, you may recall a problem which I brought to your attention during the hearings on this issue last October. Specifically, I was concerned with the buildup of soil salts in California's fertile San Joaquin Valley. Because of inadequate drainage, 400,000 acres of farmland in this region are now threatened in this manner.

I asked you how your proposed conservation program might address this problem, and you admitted that you did not yet have an answer or solution for the problem. However, you said that you were looking forward to the subsequent comment period so that you could get some more input concerning the issue.

Now, there is no doubt that a threat to California's San Joaquin Valley is a national, not a local problem. There are products grown there which are produced nowhere else in the United States. However, the proposed Resources Conservation Act, I believe, does not address the problem of soil salinity. And this is despite the fact that a number of comments were submitted during the appointed period.

With this in mind, do you propose revising your program to deal with this problem and other regional problems which threaten the long-term agricultural productivity of the nation?

Response. As discussed in the earlier questions regarding rangeland, it is impossible to list priorities in numerical order and have every serious problem listed as number one. The soil salinity problem in the San Joaquin Valley is serious and will probably be their number one priority. The local conservation district and ASC county committees will be directing technical and financial assistance to address the local priorities.

Our fiscal year 1983 budget request includes targeted funds to address water management problems in Fresno, Kings, Tulare, and Kern counties located within the San Joaquin Valley. California SCS staff with the advice of local Resource Conservation District officials will determine the use of these targeted dollars. Salinity buildup such as you describe is often associated with irrigated agriculture. Therefore, we expect the problem will be addressed in targeting assistance to these counties.

Question 29. Your RCA Program Report (page 8-1) states: "None of the program alternatives would reverse the trends that threaten the productive capacity of the Nation's soil and water resources." Why not?

When do you propose to take the actions which are necessary to ensure the long term productivity of forest, range and croplands?

Response. This Administration's primary goal is to reduce Federal spending to help bring down the rate of inflation and lower the tax burden on the American people. The Department does not believe that improved conservation programs necessarily depend on investing more and more Federal funds in soil and water conservation. The Department does believe that it is possible to get more conservation applied for each Federal dollar spent. That is why the preferred program places emphasis on finding more cost-effective ways to get the work done.

The preferred program is an early-action plan geared to the highest priority needs. It establishes clear priorities for conservation assistance and proposes that local and State governments have an expanded role in conservation decisionmaking.

The program is intended to provide a foundation for solving other resource problems later as economic conditions permit. The ultimate goal is to assure that the Nation has enough soil and water resources to meet future needs for food and fiber at a reasonable cost. This means we are committed to a course of action that will lead to essentially a nondegradation level of our soil and water resource base. We have not offered a projection of when this condition will be attained. That issue will be addressed at some future phase of an RCA-type process.

Question 30. What will it actually take to reverse these destructive trends?

Response. If there were no changes in program design, reducing soil erosion to the nondegradation level would require an annual increase of about 13 percent, compounded in 1979 constant dollars, for 5 years and expenditures held at that level through 50 years.

Question 31. In this same report, it has been stated (page 8–1) that "nondegradation of these resources should be the ultimate national goal," but that "additional analysis and preparation will be required . . ." Yet you have failed to develop a program which reverses the worsening trends in the condition of soil and water resources. What additional damages will result from continuing to defer necessary actions?

Response. The enclosed figures reflect the estimated damages that result from the program alternatives under consideration. Briefly they indicate we can be successful in reducing the impact of soil erosion and upstream flooding on the productive capacity of our soil and water resources. It leaves for the future some of the refinements and investments required to achieve nondegradation of these resources.

Question 32. The RCA preferred program proposes a "new partnership which would include establishment of a new bureaucracy of local, State, and Federal committees, on top of existing one, to set funding priorities." This proposal, which received widespread opposition from all levels, offers questionable benefits. What is its value? How do you justify it in these tight economic times?

Response. The intention of USDA in proposing coordinating boards was not to establish a new decisionmaking layer that would abrogate any responsibilities of conservation districts, ASC committees, State soil conservation agencies, or others. Rather, USDA was seeking a mechanism that would enable these bodies to perform their duties in greater coordination with each other and to provide opportunities for other interested parties to join in the process. The Department recognizes the authority and responsibilities of conservation agencies under State law and the responsibilities of ASC committees at the local and State levels. The final program document will be modified to better reflect the role of conservation districts and county committees in this coordination effort. Improved coordination will result in more effective and efficient programs.

Question 33. The preferred program fails to assure that public investments in agriculture are tied to sound soil and water conservation practices. Further, there is no formal Federal policy which requires good land stewardship in return for direct Federal conservation, crop, and other farm-related assistance. Why doesn't your preferred program include such a policy? In its absence, how do you propose to realize a positive return on our public investment?

Response. If the thrust of the question relates to broad application of the cross-compliance concept, the principal emphasis in the preferred program is to rely on the historical approach of voluntary participation. The one exception is the provision that would require conservation plans in order for applicants to be eligible for farm ownership loans and soil and water conservation loans through the Farmers Home Administration.

Broad-scale application of cross-compliance has not received general support in the public participation process. Many contend that this feature would result in reduced participation in USDA programs. Preliminary studies indicate it would be difficult and costly to administer such a program. Despite these concerns, there is recognition of the need for more consistency among USDA programs. Therefore, the features embodied in cross-compliance will be a major subject for continuing study and analysis somewhat similar to the preservation of prime and unique farmland. Option papers that address specific situations or approaches will be developed and acted upon as a part of the continuing effort to improve program effectiveness.

Response to Questions Submitted by Senator Huddleston

FILLING CAREER POSITIONS

Question 34. Aside from replacing Mr. Berg as Chief of the Soil Conservation Service, are there any plans to put political appointees in regional and State positions within the Soil Conservation Service; and do you plan any similar action with regard to the Forest Service.

Response. No.

RURAL ABANDONED MINE PROGRAM

Question 35. The allocation of funds from the Department of the Interior to the Soil Conservation Service for the Rural Abandoned Mine Program will be cut by 28 percent in fiscal year 1983, no new planning or contracts are to be funded. What is the justification for the termination of this program?

Response. The funding of new contracts through RAMP is being terminated to shift the reclamation of abandoned coal mined lands from a Federal role to a State role. The 20 States where RAMP has operated since 1979 are rapidly becoming eligible to receive abandoned mine land (AML) fund grants. At this time, 12 are eligible. By the end of fiscal year 1982, 19 are expected to be in this status. Four have already received grants for reclamation.

AML funds for new contracts, including those that could be appropriated for RAMP projects, are now to be appropriated for grants to eligible States to carry out a State Reclamation Program. Reclamation work that would have been carried out through RAMP will now become a State responsibility.

Question 36. As I understand the Administration's preferred Resource Conservation Plan, a lot of the responsibility for soil and water resource conservation would be shifted to the States, but only $10 million in Federal funds would be turned over to the States. Have a majority of governors endorsed this proposal; and did the Department prepare any study or analysis about the financial ability of the States to assume this responsibility?

Response. Of the 39 governors addressing the grant feature of the preferred conservation, 21 had some reservations. These reservations include (1) use of new or increased funds rather than diverting funds from ongoing programs, (2) need for flexibility about eligibility of matching funds, (3) time and costs for the State to administer grants, and (4) uncertainty of Federal funding each year. Information about appropriations by State and local governments for conservation programs is collected each year by the Department. These nonfederal contributions have been increasing steadily over the years. In fiscal year 1981, State and local governments appropriated $86 million and $83 million, respectively, for a total of $169 million. this record of appropriations was considered as evidence of State's ability to participate.

Question 37. Some parts of the country, southwestern Kentucky in my case, suffer from more severe erosion problems than other areas. That is the basis for targeting—directing resources to areas that suffer chronic and severe erosion. Isn't it possible that, under your targeting proposal, some areas that haven't experienced resource problems in the past could develop problems in the future if they are neglected because of a lack of funds?

Response. Our targeting proposal does not redirect all existing funds into national targeted areas. For fiscal year 1983, only 5 percent of our total Conservation Technical Assistance (CTA) funds will be allocated for the national designated targeted areas. This means that 95 percent of our CTA funds are available to service high priority work in accord with local conservation district priorities.

We propose to increase the amount of funds for national designated targeted areas by 5 percent per year until 25 percent of our funds are used within targeted areas. While this may reduce the amount of technical assistance available in nontargeted areas, we believe we can still prevent the occurrences of major erosion problems in these nontargeted areas.

You are correct in pointing out that the location of major conservation problems can shift as conditions change. We see targeting as a dynamic process, with the locations of targeting subject to change as areas are improved and new areas encounter problems that deserve targeting more than the old areas do. We view the preferred program as providing the systematic data collection and analysis needed to monitor and appraise trends. We would then adjust our program activities as new needs are identified. The RCA process has confirmed that needs do change. It is clear that so long as we have agriculture as a major industry, soil and water conservation programs will be needed.

Question 38. Mr. Secretary, on February 11, I sent you a letter that outlined many comments and questions that I had received on the Preferred Program. These comments and questions were raised by Kentucky citizens who have considerable experience and expertise on conservation matters. I have not received a reply to that letter and I would appreciate your assistance in that regard.

One question that was raised in the letter is of particular interest to me. In the Farm Bill, Congress specified that the matching grant program should not be funded at the expense of existing programs. Does the Administration budget proposal reflect that Congressional directive?

Response. The Department acknowledges that funding for block grants would be acceptable if it were "new money" reflecting a higher national priority for soil and water conservation. Additional funding, however, can only be considered if the President's overall goals for national economic recovery are met. This means constrained budgets at this time. Meanwhile, the Department believes it is appropriate to use some of the limited funds available to begin to provide grants that will strengthen the role of local and State governments in conservation decisionmaking and encourage appropriations of additional conservation funds at these levels.

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